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ABSTRACT

The Postsecondary Enrollment Options Program (PSEO) allows 11th and 12th grade public school students to attend Minnesota postsecondary institutions at state expense. Students receive high school credit for courses successfully completed and may apply for postsecondary credit for the same courses when entering college after high school graduation. This report analyzes program operating procedures, participation by students, funding, and policy considerations. On average, about seven percent of a school district's 11th and 12th graders took PSEO courses in 1991-92. Most of the students took about 12 PSEO credits. The most popular PSEO courses were communications, social sciences, and vocational courses. Some PSEO courses were offered in high schools instead of on a college campus. The study concluded that PSEO can provide a significant financial benefit to students, who do not have to pay for as many college credits; that student access to PSEO is limited by geography; that PSEO cost the state about $2.2 million but may well be a sound investment; and that the program has resulted in reduced funding to high schools, which has had a significant financial impact on some districts and makes it difficult for districts to adjust staff and curriculum needs. Appendixes contain a copy of the PSEO legislation, a list of eligible postsecondary institutions, and data from the study. (JDD)

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The Postsecondary Enrollment Options Program

A Research Report

February 1993

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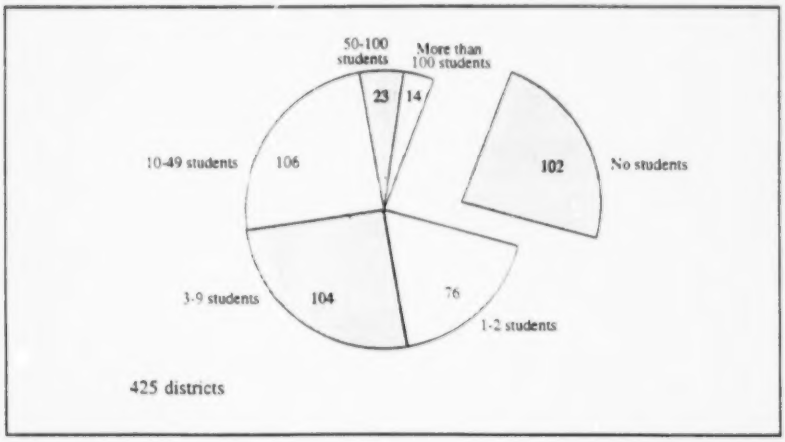
Executive Summary

7.5 percent of the state's 11th and 12th grade students take PSEO courses.

The Postsecondary Enrollment Options Program (PSEO) allows 11th and 12th grade public school students to attend a Minnesota postsecondary institution at state expense. In order to participate, students must meet the requirements set by the postsecondary institution they wish to attend. Students receive high school credit for a course successfully completed under this program and may apply for postsecondary credit for the same course when entering college after high school graduation.

7,540 11th and 12th grade students in 75% of the state's school districts participated in the PSEO program in 1991-92. The graph below shows the range of PSEO participation in the 425 Minnesota school districts. In about 25% of the districts, no students took PSEO courses. Just under half the districts had between one and nine students participating, and only 37 districts had more than 50 PSEO students. On average, about 7% of a district's 11th and 12th graders took PSEO courses.

School Districts Grouped by the Number of PSEO Students, 1991-92



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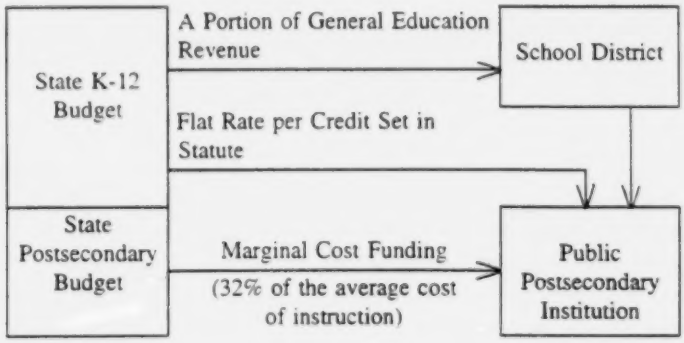
The 1991 Legislature made significant changes in how the PSEO program was funded - decreasing the amount that both school districts and postsecondary institutions would receive for PSEO students beginning in FY 1992. From 1985 through the 1990-91 school year, the state deducted the cost of a PSEO student's tuition, fees, and books from the school district's general education aid and paid it to the postsecondary institution. The postsecondary institution also received average cost funding for each PSEO student from the state, which is about 67% of the average cost of instruction at that type of institution. Under this

funding process, some school districts received a percentage of revenue for PSEO students that far exceeded the percentage of time the students spent in the high school. Beginning in FY 1993, as is shown in the flow chart below, school districts will receive a smaller portion of general education revenue for each PSEO student, and postsecondary institutions will receive a flat reimbursement per credit plus marginal cost funding for each PSEO student. This funding process eliminates almost all of the extra revenue school districts received under the original funding process.

FY 1993 Funding for PSEO Students


State K-12 Budget
A Portion of General Education Revenue
School District
Flat Rate per Credit Set in Statute
State Postsecondary Budget
Marginal Cost Funding
(32% of the average cost of instruction)
Public Postsecondary Institution

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Many students take PSEO courses in high school.

Some PSEO courses are offered in a high school instead of on a college campus. School districts can arrange college courses in the high schools directly with a postsecondary institution. The postsecondary institution and the school district agree on the type of courses to be offered, who will teach them, teacher reimbursement, and the cost of the program for each student. These courses are often taught by high school teachers under the supervision of college faculty. Students taking college courses in the high school receive secondary credit and may apply to transfer postsecondary credit in exactly the same manner as regular PSEO students. For example, College in the Schools is a program offered by the University of Minnesota that provides PSEO courses for students in their high schools. This program allows high school juniors and seniors to take regular introductory-level University courses in the high school instead of on campus. These courses are developed by University faculty and taught by selected high school teachers during the regular school day.

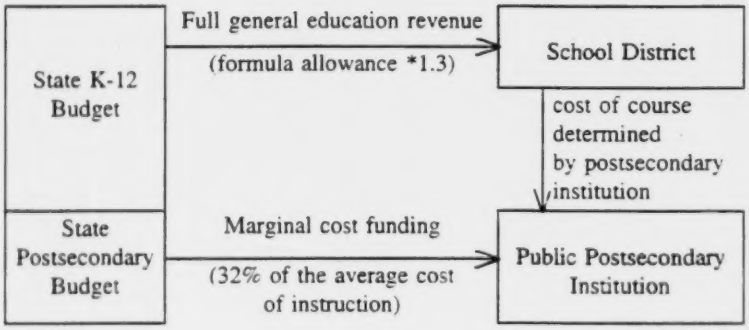
Other postsecondary institutions have similar programs. The program in the community college that provides college courses in the high school taught by high school teachers is called "concurrent registration." Some community colleges have worked with districts to provide courses in the high school for many years. Some technical colleges were providing these courses in 1991-92, and more plan to provide them in 1992-93.

Institutions in the community college and state university systems as well as the University of Minnesota provided college courses in the high school to over one-third of the PSEO students. Information gathered from the postsecondary systems indicates that 15 postsecondary institutions provided college courses in the high schools in 1991-92: 10 community colleges, two technical colleges, the University of Minnesota (Twin Cities and Duluth campuses), and Southwest State University. The systems estimate that about 2,700 students took college courses in the high schools in 1991-92. It is difficult to specify the extent of student involvement in programs like College in the Schools in 1991-92 since the Minnesota Department of Education does not distinguish students taking college courses in the high school from regular PSEO students in its financial data base.

School districts fund college courses in the high school by contracting directly with a postsecondary institution. Beginning in FY 1993, school districts will receive full general education revenue for a PSEO student taking a college course in the high school. (This is in contrast to the fact that districts receive only a portion of general education revenue for students participating in the regular PSEO program.) The district then pays the postsecondary institution the rate agreed on by the postsecondary institution and the district. Some postsecondary institutions also receive marginal cost funding for students taking college courses in the high school from the postsecondary budget.[1] The following flow chart shows how college courses in the high schools are funded.

[1] The University of Minnesota operates its College in the Schools program through its extension program and receives no postsecondary funding for College in the Schools students. That program operates using only the funding received from the school districts for participating students. Other institutions do receive marginal cost funding for students taking college courses in the high school.

FY 1993 Funding for Students Taking College Courses in the High School



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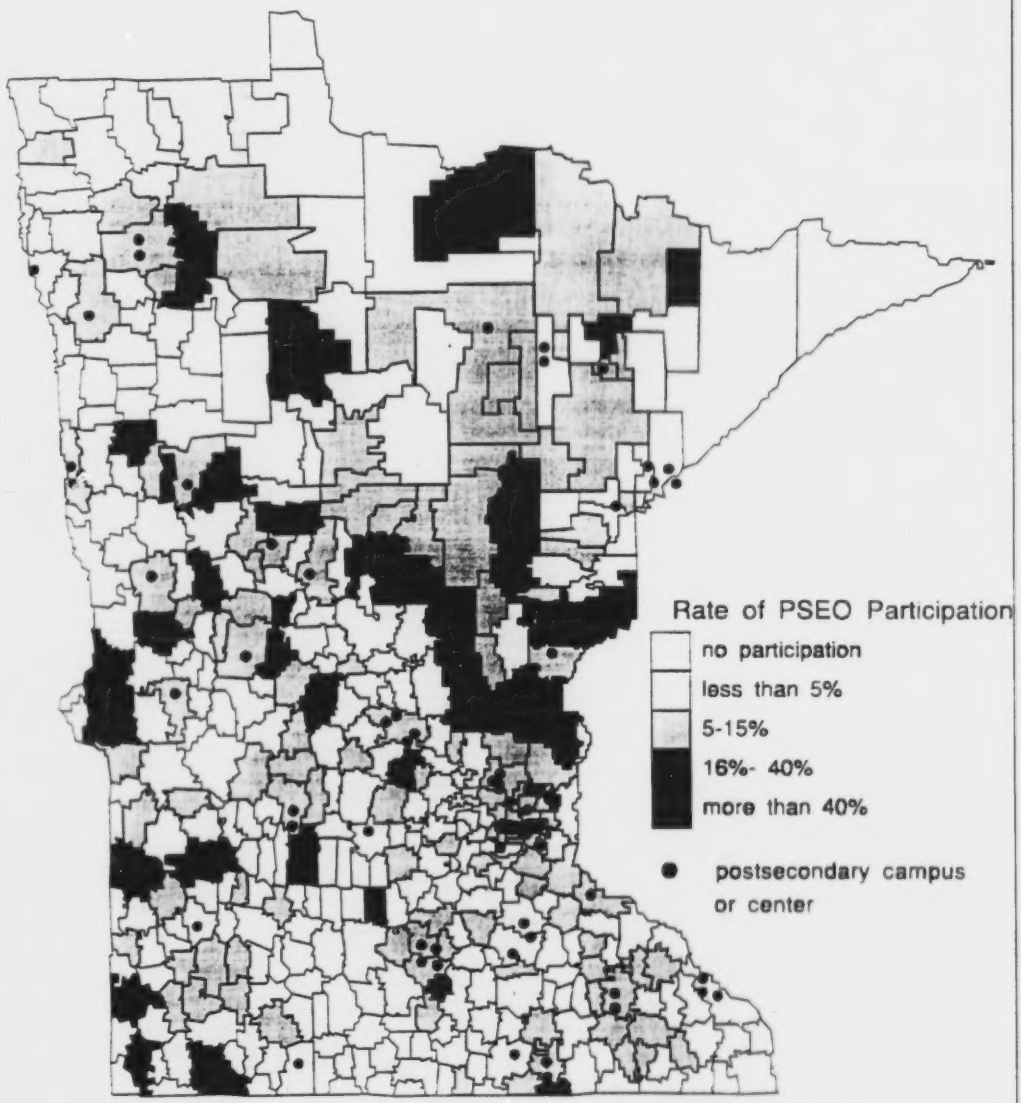
Access to PSEO courses is not equal across the state.

In general, districts located closer to postsecondary institutions had higher PSEO participation. The map on the next page shows the percent of 11th and 12th grade students in each district who took PSEO courses. Districts with no student participation tend to be those located at a greater distance from a postsecondary institution. Districts with moderate rates of participation (5-15%) tend to be those relatively close to a postsecondary institution. However, the districts with the highest concentration of PSEO students, over 40% of the district's 11th and 12th grade students, had no readily accessible postsecondary institution. Superintendents in those districts reported that most of the PSEO students in their districts participated in college courses provided in the high school where the district contracted with a postsecondary institution to provide college courses for students in the high school, taught by a high school teacher.

Districts with no PSEO participation also tend to be smaller than other districts. Small districts may not have the critical mass of students necessary to offer college courses in the high school. These districts may not have enough students to be able to offer a full class in the high school. The cost of such a program with less than a full class of students would be relatively high.

Rate of PSEO Participation in School Districts
1991-92



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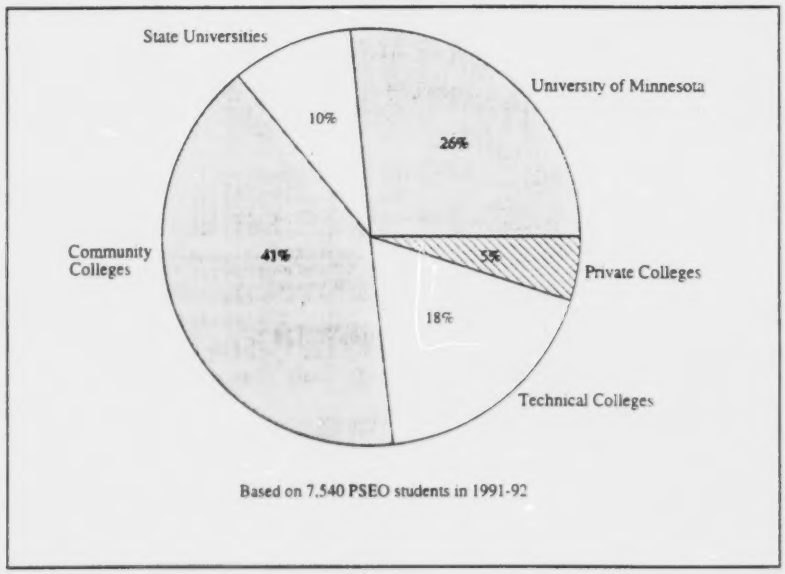
About two-thirds of the PSEO students took courses at or through a community college or the University of Minnesota.

Statewide, most PSEO students take courses at or through a community college or the University of Minnesota and relatively few take courses at a private college. The figure below shows that 41% of PSEO students took courses at a community college. Relatively few PSEO students took courses at a state university (10%) or a private college (5%).

Postsecondary Distribution of PSEO Students Statewide



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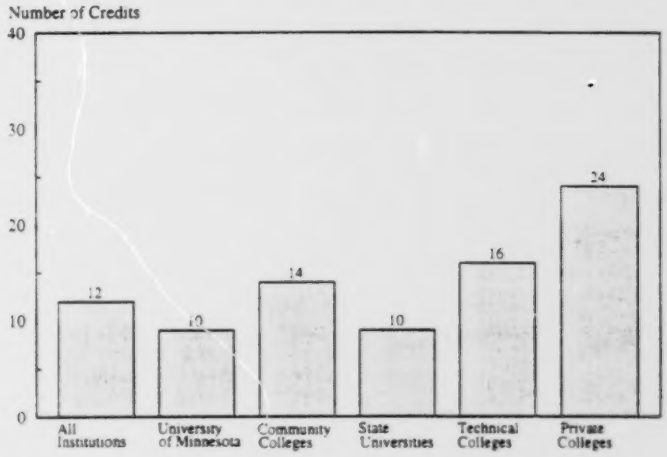
The high participation at the University and community colleges is probably due, in part, to the many college courses in the high schools offered by those institutions.

Most PSEO students used the program to replace only a part of their high school curriculum.

Most students took about 12 PSEO credits in 1991-92. This is, on average, less than 20% of a full-time high school program. The figure below shows the median number of credits PSEO students took during the 1991-92 school year at each type of postsecondary institution. The median number of credits represents the 50th percentile, or the middle of the distribution: half the students took more credits; half took less.

Median Number of PSEO Credits, 1991-92



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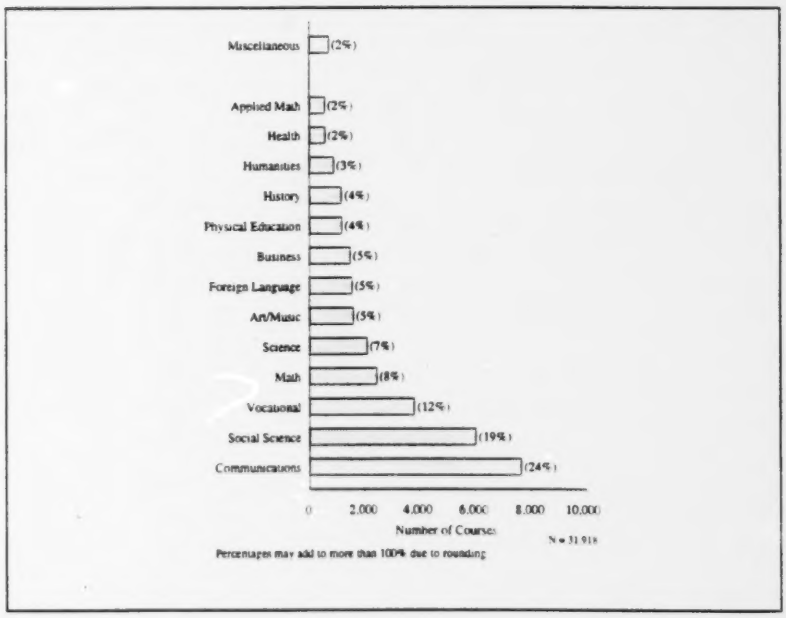
Students attending private colleges took the most credits. Half the PSEO students attending private colleges took 24 or more quarter credit equivalents during the year, compared to students at the University of Minnesota and the state universities, half of whom took 10 or fewer credits during the year.

Statewide, 9% of the students took a full-time load of PSEO credits. A full-time load is defined as 45 or more quarter credit equivalents. Students attending a private college were most likely to attend full-time (23% attended full-time) while only 4% of students at the University attended full-time.

Communication courses were the most popular PSEO courses.

PSEO students took about 32,000 postsecondary courses in 1991-92. Half those courses were communications, social science, or vocational courses. The figure below shows that the most popular PSEO courses were communications courses (almost 8,000 courses - 24% of all PSEO courses). These included English, composition, speech, and literature courses. Social science courses such as sociology, political science, economics, and psychology were also very popular, accounting for 19% of all PSEO courses. Vocational courses, primarily offered at a technical college such as office management or auto repair, accounted for 12% of the total PSEO courses taken.



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PSEO students successfully completed 93% of their courses.

About 15% of all PSEO students failed one or more postsecondary courses. These rates varied by the type of institution, with 6% of the PSEO students taking courses at a private college failing one or more courses compared to 25% of the technical college PSEO students.

Only 7% of all PSEO courses were failed. However, the rate of course failure varied significantly for different types of institutions. PSEO students at the technical colleges failed, on average, two to three times more courses than students at other types of institutions.

The cost of the PSEO program to school districts increased in FY 1992 and FY 1993.

Recent changes in the PSEO funding process have resulted in school districts receiving significantly less funding for PSEO students. The simulations in the table below show that in FY 1992 school districts would have received almost $29 million in general education revenue for their PSEO students in the absence of the PSEO program. Under the original funding process, districts received about $22.5 million in general education revenue, about $6 million less. The changes implemented in FY 1992 cost districts an additional $2 million. If student participation remains constant, the districts will lose $3 million more due to funding changes in FY 1993.

Simulated Statewide Effect of Changes in PSEO Funding on School Districts, Postsecondary Institutions, and PSEO Costs

	Funding without the PSEO program	FY 1991 and prior funding	FY 1992 funding	FY 1993 and later funding
Pay to school districts (K-12)	$28,814,000	$22,496,000	$20,770,000	$17,501,000
Pay to postsecondary institutions from K-12 budget		$6,317,070	$6,317,070	$9,949,000
Pay to postsecondary institutions from postsecondary budget		$8,318,000	$3,973,000	$3,973,000
Total paid to postsecondary institutions		$14,635,000	$10,290,000	$13,922,000
Total cost to state	**$28,814,000**	**$37,131,000**	**$31,060,000**	**$31,423,000**

Each simulation is based on the 7,540 high school students who were enrolled in PSEO in FY 1992. College costs are the per credit costs for each institution in FY 1992; the FY 1992 formula allowance for each student was $3,050 and the secondary pupil weighting was 1.3. Payments to postsecondary institutions may be somewhat inflated since the University of Minnesota did not receive any postsecondary funding for College in the Schools students. Since the data do not permit the identification of all College in the Schools students, these simulations assume postsecondary payments for some students who did not receive them.

The cost of PSEO to the state decreased in FY 1992.

The total cost of the PSEO program to the state in FY 1992 was about $2.2 million. The table shows that in FY 1992, the total cost of PSEO students was about $31 million. If there had been no PSEO program, the cost for those students would have been $28.8 million. The difference between these two figures, $2.2 million, is the cost of the program. That cost may increase slightly in FY 1993 if student participation remains constant. The state cost for FY 1992 students under the original funding process would have been over $8 million.

Policy Considerations

This report examines data on the 7,540 students who took one or more PSEO courses during the 1991-92 school year. The detailed look at the choices students made, the way the program has evolved, and the financial effect of the program on all the parties involved can be summarized in the following points.

PSEO provides flexibility for students.

The current structure of the PSEO program gives students the flexibility to choose the direction and degree of their postsecondary involvement. Students made many different choices within the structure of the PSEO program. As a result, it is difficult to describe a typical PSEO student. Most PSEO students (60%) replaced a relatively small portion of their high school curriculum with three or fewer college courses through PSEO during the course of the year. But a significant minority of students did choose to attend college full-time (9%). Most of the PSEO students chose to take academic courses such as English, sociology, math, or science; however, many also used PSEO to obtain vocational training in such areas as auto mechanics, child care, and office management.

However, some aspects of that flexibility may put some students at risk. Under current law, it is the responsibility of the postsecondary institution to decide whether high school students may enroll in PSEO courses. The community colleges and technical colleges had significantly higher failure rates among their PSEO students than did other postsecondary systems. The community colleges implemented more stringent standards after fall quarter, 1991, so the relatively high failure rate among many of the students in this report may be due to the number who entered these colleges under less stringent standards. The technical colleges have an open door policy for high school students as they do for their regular students.

Since failing a PSEO course or courses may jeopardize high school graduation for some students, and does become part of their college record, it is important to maximize students' chances of postsecondary success. Postsecondary institutions should carefully examine their entrance requirements for PSEO students.

PSEO can provide financial and other benefits to students

PSEO can provide a significant financial benefit to students. Since students can apply to have their PSEO credits transferred to any college, those courses represent college that the student and parents do not have to pay for. A student entering the University of Minnesota with 45 PSEO credits would save about $4,000. A student entering a private college would save over $10,000. This is a significant benefit to students and parents and is certainly part of the reason for the program's popularity.

For students who participate in the PSEO program, other potential benefits include:

- access to a wide postsecondary curriculum
- a chance to try different types of colleges and courses before making a final decision on where to attend college
- a chance to move more quickly from high school, to college, to work than is afforded by the traditional model of high school and postsecondary attendance

The PSEO program allows many students to blur the line between high school and college by integrating the two systems. More research is needed to better understand exactly how different types of students benefitted from the PSEO program.

Access to PSEO courses is not equal across the state.

To some extent, student access to PSEO is limited by geography. An examination of the rate of PSEO participation in school districts across the state shows that attendance is affected by distance to a postsecondary institution. Students who do not live close to a college are less likely to take PSEO courses.

However, some school districts have responded to the issue of postsecondary access by providing college courses for students in the high school. There has been significant growth in programs like College in the Schools, where a district contracts with a postsecondary institution to provide college courses in the high school, taught by a high school teacher. Students can take these courses in the high school for high school credit and also receive college credit for them after high school graduation.

There appears to be a high level of satisfaction with these arrangements among all concerned. The students can take college courses without leaving the high school; qualified high school teachers can teach college courses; and school districts lose less money for PSEO students participating under this type of arrangement.

School districts with no postsecondary access problem are also making use of programs like College in the Schools. Over 1,600 students in the metropolitan area, where colleges are readily accessible, took PSEO courses through the University of Minnesota's College in the Schools program in 1991-92.

Although PSEO does cost the state money, it may well be a sound investment.

PSEO does cost the state money. In FY 1992, the PSEO program cost the state about $2.2 million.

However, PSEO has the potential to be a sound financial investment for the state. The state pays less in postsecondary funding for a PSEO student than for a regular public college student. As a result, every college credit a student takes while in high school instead of in college saves the state money. The total postsecondary funding for PSEO students in FY 1992 was about $4 million (marginal cost funding). Had those PSEO students taken the same number of college credits as college students, it would have cost the state $8 million (average cost funding).

Recent changes in PSEO funding have generated savings for the state. Simulations comparing the original PSEO funding process with the process in place beginning in FY 1993 show that the new funding process could save the state about $6 million in FY 1993. However, those savings are based on the characteristics of the FY 1992 PSEO student population.

Those state savings have been at the expense of school districts. Simulations based on the FY 1992 PSEO population show that the projected $6 million in state savings in FY 1993 was gained almost entirely at the expense of the school districts.

The rising cost of PSEO to school districts may jeopardize the program.

In FY 1992, PSEO "cost" the school districts about $8 million. Estimates show that in FY 1993, that cost could rise to $11 million. The issue of cost is a difficult one. The funding process in place beginning in FY 1993 pays districts for only that portion of time that PSEO students are in the high school. Advocates of that funding process point out that there is no reason to pay a district full revenue for a student who is only in the high school part time. Therefore the reduced funding represents no real cost to districts. Opponents of the funding process raise concerns about districts' ability to plan around PSEO students and reduce cost accordingly. Since PSEO students have no real obligation to inform the district of their PSEO plans, it may be difficult for districts to reduce staff and adjust the curriculum throughout the academic year.

For districts with few PSEO participants, planning is less of an issue since the loss of a few students would probably not result in staffing reductions. Those districts simply lose revenue.

For districts with many PSEO participants, the challenge lies in knowing which high school courses the PSEO students will not be taking and, consequently, which staffing and curriculum reductions to make.

High student participation in PSEO has had a significant financial impact on some districts. The PSEO program cost fifteen school districts over $100,000 each in general education revenue in FY 1992, and the cost will increase in FY 1993 for many districts. The costs are of particular concern to districts since they are significantly higher than the costs they faced in FY 1991 for essentially the same program.

As costs to the districts continue to rise, districts may have growing incentive to discourage students from participating in PSEO. Although students and parents, not the districts, make decisions about PSEO participation, the districts' support of the students' postsecondary efforts may be a significant factor in whether students do participate and how well they succeed. If PSEO participation becomes the cause of a significant loss in district revenue, districts may be placed in the unenviable position of balancing the needs of the district against benefits for some of its students.

The relationship between payment to postsecondary institutions for PSEO students and the cost of educating those students has yet to be resolved.

Financially, the PSEO program has held postsecondary institutions harmless. Funding simulations show that although the funding postsecondary institutions received from the state postsecondary budget for PSEO students was reduced in FY 1992 from 67% of the average cost of instruction to 32%, the amount that they received from the K-12 side of the budget was increased the following year. The end result is that postsecondary institutions, beginning in FY 1993, will receive almost the same total funding for PSEO students that they received under the original funding process.

However, it is not clear how well the payments that postsecondary institutions receive for PSEO students cover the cost of those students. Although the total funding that all postsecondary institutions receive for PSEO students has not changed significantly, the distribution has changed. Under the FY 1993 funding process, all postsecondary institutions will be reimbursed the same per credit rate for PSEO students. This process does not take into account differences in the cost of instruction at the different types of institutions. It remains to be seen how the different systems are affected by the new funding process.

There is also the question of whether the cost of PSEO students to postsecondary institutions is truly a marginal cost. To the extent that postsecondary institutions wait and allow PSEO students to enter only those college classes with extra space, the cost to the institution is truly marginal. However, many institutions have found that waiting is not practical since most high school students in PSEO need to have their college enrollment confirmed early enough to plan the balance of their high school curriculum. Some colleges also provide counseling and guidance to PSEO students, again increasing the cost.

Background

What is the PSEO program?

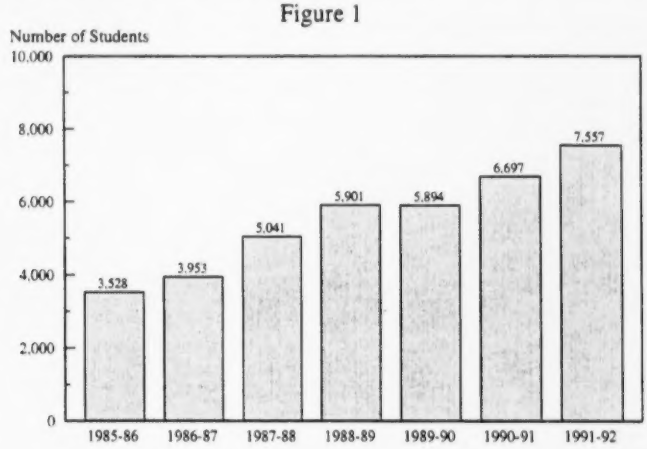
The Postsecondary Enrollment Options Program (PSEO) allows 11th and 12th grade public school students to attend a Minnesota postsecondary institution at state expense. In order to participate, students must meet the requirements set by the postsecondary institution they wish to attend. Students receive high school credit for a course successfully completed under this program and may apply for postsecondary credit for the same course when entering college after high school graduation.

The program was enacted in the 1985 Legislative session and was first available to students during the 1985-86 school year. PSEO was part of Governor Rudy Perpich's 1985 education reform package called "Access to Excellence" which focused strongly on student choice programs. The open enrollment program, which allows students to choose which school district to attend, was also part of the "Access to Excellence" package but was not enacted until 1987.[2]

Figure 1 shows that about 3,500 students participated in the program in its first year and participation has steadily increased since then. More than twice as many students took PSEO courses in 1991-92 (7,540) than in 1985-86.

Figure 1

PSEO Participation, 1985-1992



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[2] For a detailed description of the legislative history and development of PSEO and other choice programs in the "Access to Excellence" package, see: (1) "The Minnesota Postsecondary Options Law: A Case of Choice", December, 1990, Center for Policy Research in Education Report Series TC-004, Eagleton Institute of Politics, Rutgers, the State University of New Jersey, or (2) Mazzoni, T., & Sullivan, B. (1986), "State government and educational reform in Minnesota." In V.D. Mueller and M.P. McKeown (Eds.), *The Fiscal, Legal, and Political Aspects of State Reform of Elementary and Secondary Education* (pp. 169-202). Cambridge, MA: Ballinger.

How does the PSEO program work?

Figure 2 shows how the PSEO program works.

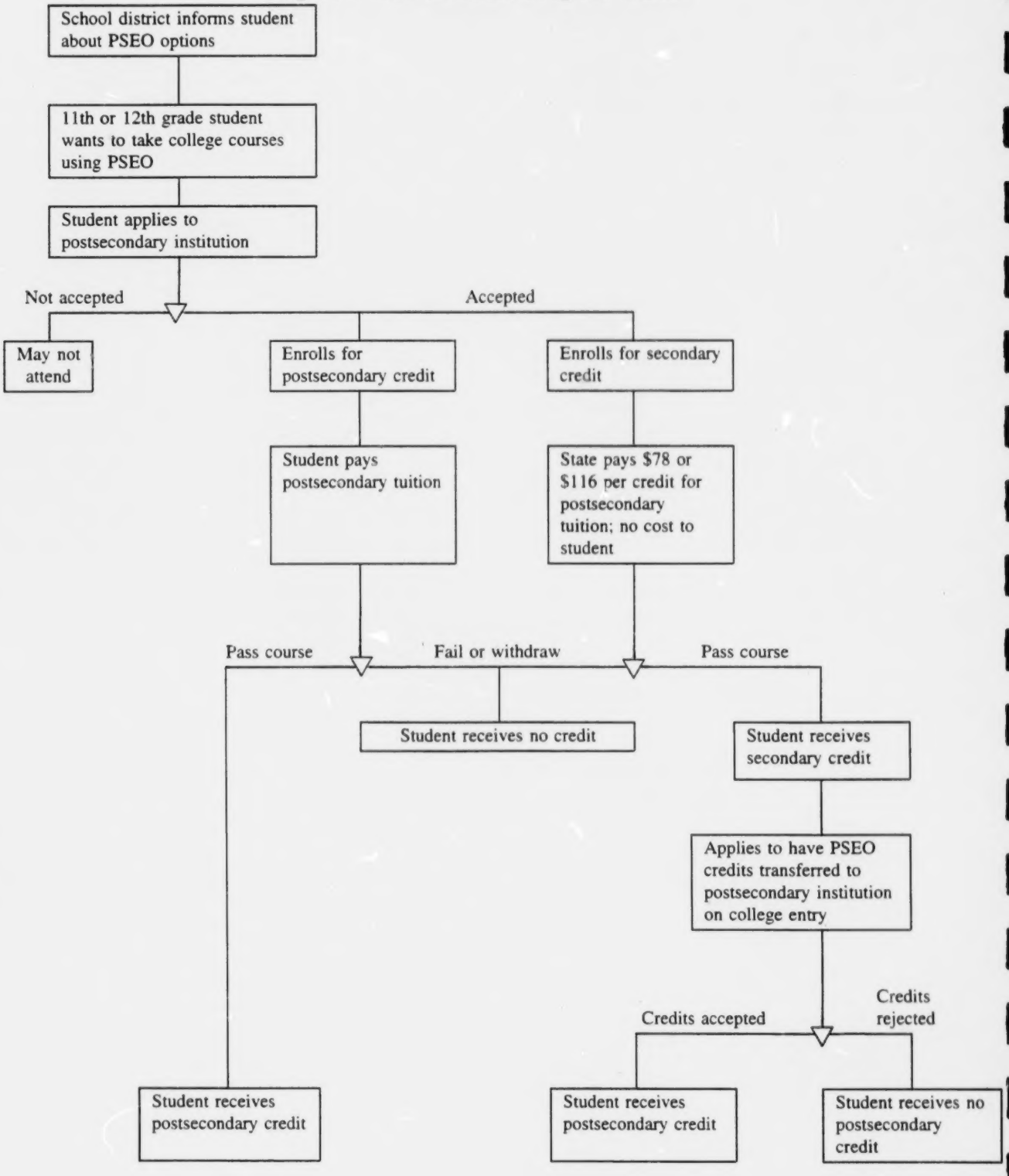
Each year, school districts must inform students about their options under the PSEO program. By March 1 of each year, school districts must provide high school sophomores and juniors with general information on the PSEO program. Students who wish to participate in the program in the following year are required to notify the district of their intent by the end of March; however, whether a student notifies the district or not does not affect the student's ability to take PSEO courses. Before making any decisions about PSEO, students are encouraged, but not required, to discuss their plans with a high school counselor. School districts are encouraged, but not required, to provide counseling for students interested in the PSEO program.

Students in 11th and 12th grade who attend a Minnesota public school are eligible to participate in PSEO. Students age 21 or over who are eligible for adult high school graduation aid may also participate in the PSEO program.[3] Students who are attending high school under a cultural exchange program are not eligible to participate.

The decision to take a PSEO course rests with the student, his or her parents, and the postsecondary institution -- not the school district. To participate in the PSEO program, a student obtains an application form from the high school or the postsecondary institution. The student then takes that form, signed by the student and parent, and a high school transcript and applies to a postsecondary institution. Each postsecondary institution is free to set its own requirements for PSEO students. A student may enroll in a PSEO course only at the discretion of a postsecondary institution.

[3] Eligible students age 21 and over include those who have received 14 or fewer years of education, have completed the equivalent of the 10th grade but have not graduated from high school, and are eligible for unemployment compensation, income maintenance, or subsidies under the displaced homemaker program, state wage-subsidy program, or any federal Jobs Training Partnership Act programs.

Figure 2: How the PSEO Program Works


School district informs student about PSEO options
11th or 12th grade student wants to take college courses using PSEO
Student applies to postsecondary institution
Not accepted
Accepted
May not attend
Enrolls for postsecondary credit
Enrolls for secondary credit
Student pays postsecondary tuition
State pays $78 or $116 per credit for postsecondary tuition; no cost to student
Pass course
Fail or withdraw
Pass course
Student receives no credit
Student receives secondary credit
Applies to have PSEO credits transferred to postsecondary institution on college entry
Credits accepted
Credits rejected
Student receives postsecondary credit
Student receives postsecondary credit
Student receives no postsecondary credit

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Once accepted by a postsecondary institution, a student may enroll in courses for either secondary or postsecondary credit. If the student enrolls for postsecondary credit, he or she is responsible for the tuition payments. If the student registers for secondary credit, there is no cost to the student; the state will transfer general education aid from the student's school district to the postsecondary institution to pay for the PSEO course. Not surprisingly, all PSEO students in 1991-92 registered for secondary credit. A PSEO student may attend a postsecondary institution full time.

A student who registered for secondary credit will receive secondary credit if the PSEO course is successfully completed. PSEO credits can be used to meet high school graduation requirements. The high school is responsible for determining how much secondary credit is awarded for each PSEO course. However, by law, a high school may not require that a student take more than nine quarter credits or six semester credits to receive one year of high school credit in any subject. According to the Minnesota Department of Education, most high schools do require the maximum number of postsecondary credits to grant one year of high school credit. Any dispute between the student and the school in determining the number of credits may be appealed to the State Board of Education. If the student withdraws from or fails the course, no credit is awarded.

A student may apply to have PSEO credits transferred to any postsecondary institution. When the student completes a PSEO course, that course becomes part of the student's transcript at the postsecondary institution where the course was taken. If the student chooses to attend that institution after high school graduation, those postsecondary credits are automatically awarded. However, if the student chooses to attend a different postsecondary institution, he or she must apply to have the PSEO credits transferred from the postsecondary institution where the courses were taken. Those credits will be evaluated as if the student was transferring a regular college course from that institution.

Where can high school students take PSEO courses?

In 1991-92, 84 of the postsecondary campuses and centers statewide that were eligible to participate in the PSEO program chose to participate. An eligible postsecondary institution is defined in state statute as "a Minnesota public postsecondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, or a private, residential, two-year or four-year liberal arts, degree-granting college or university located in Minnesota" [Minn. Stat. section 123.3514, Subdivision 3]. The map on the next page shows where the participating campuses and centers are located. The 84 campuses and centers include:

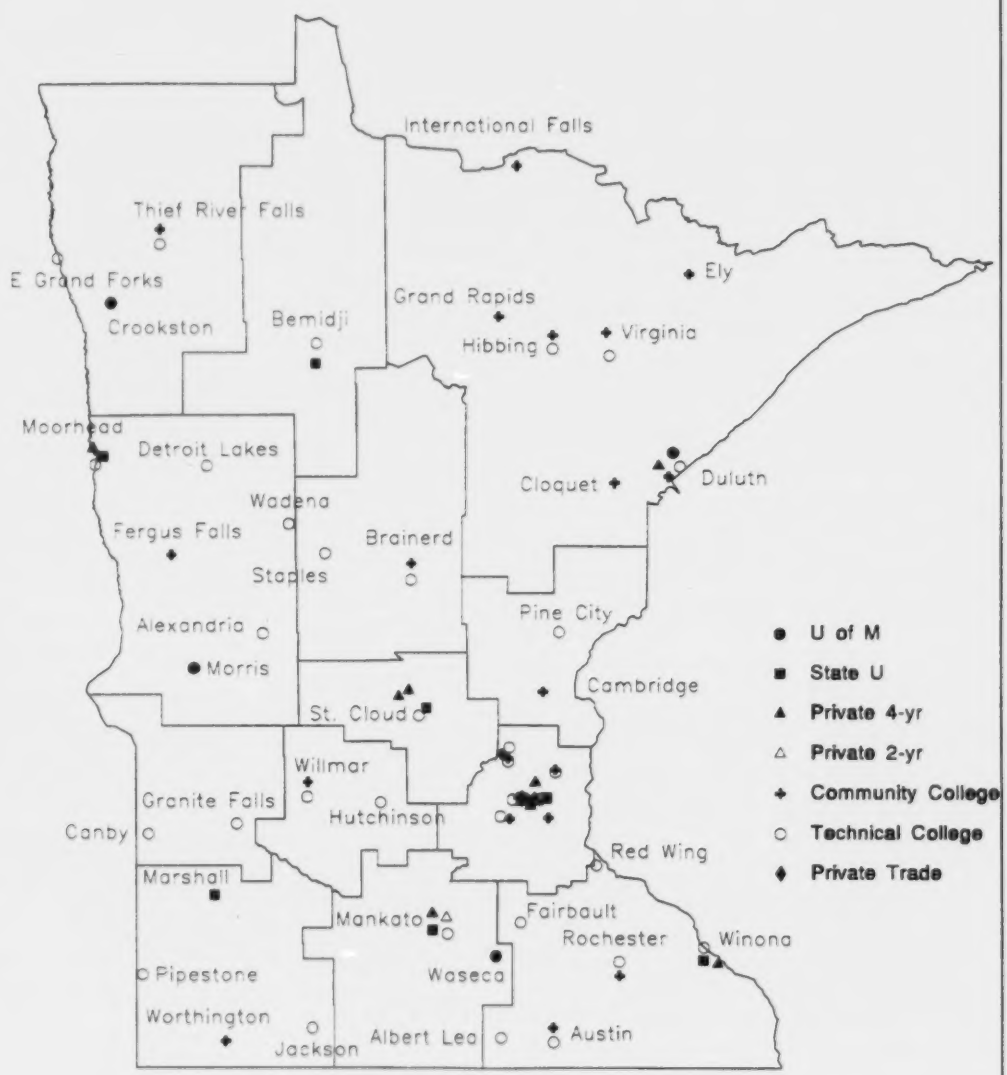
- Five University of Minnesota campuses[4]
- Seven state universities
- 22 community college campuses and centers
- 33 technical college campuses
- 14 private four-year colleges
- One private two-year college
- Two private, degree-granting institutions

Appendix B contains a listing of postsecondary institutions eligible for PSEO students. Two of the eligible postsecondary institutions have chosen not to accept any PSEO students: Carleton and St. Olaf colleges, both private four-year institutions.

Both Carleton and St. Olaf have worked with the Northfield school district to provide courses for some of their high school students for over 25 years. However, they prefer to operate outside the PSEO program. Carleton and St. Olaf allow a selected group of 25-30 Northfield seniors to take what they call "senior honors courses" on campus each year. The students receive high school credit for these courses, but the courses do not appear on a postsecondary transcript.

[4] The Waseca campus of the University of Minnesota closed after the 1991-92 school year.

Postsecondary Institutions Participating in the PSEO Program 1991-92*



*Regional boundaries represent economic development regions.

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Do post-secondary institutions have special entrance requirements for PSEO students?

Each postsecondary system or institution sets its own standards for accepting PSEO students.

The University of Minnesota accepts students in the top 20 percent of their high school class but will make exceptions.

The state university system requires students to be in the top half of their class: the same standard they have set for their regular students.

The community college system adopted new standards for PSEO enrollment effective winter quarter, 1992. They require high school seniors to be in the top half of their class and juniors to be in the top one-third of their class. If the high school does not compute class rank, the community colleges require a grade point average of 2.5 for high school seniors and 3.0 for juniors. All students are tested on application to determine whether they are adequately prepared for college level work. The college will make an exception if a high school official recommends the student for admission.

The technical college system has open admission for PSEO students as they do for their regular students. A PSEO student who wants to take specialized coursework, for example in electronics, would be tested to determine what preparation, if any, they need for that course.

The private colleges each set their own standards for PSEO students. Most require that students be in the top 10-15% of their class.

Why do students take PSEO courses?

The Minnesota Department of Education does not gather data on students' reasons for participating in PSEO. However, the University of Minnesota did address this question.

The top four reasons students took PSEO courses at the University of Minnesota were:

1. intellectual challenge
2. free college
3. a chance to try college life
4. escape a restrictive high school environment

Why did University of Minnesota Students Take PSEO Courses?

Figure 3

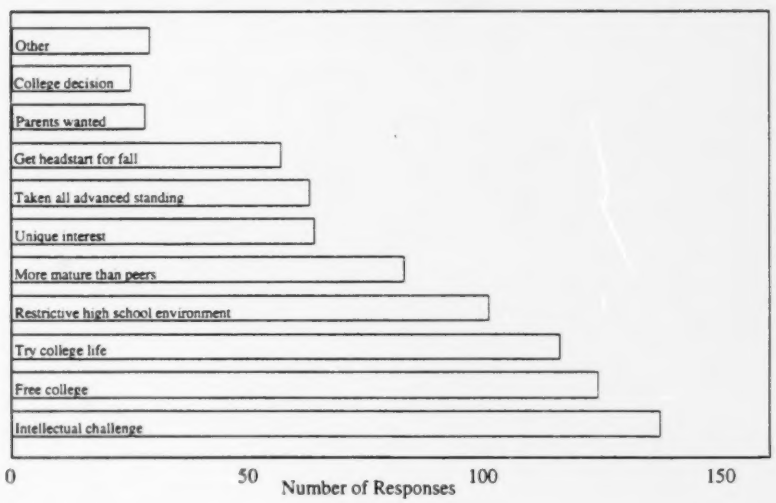

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Figure 3 shows the results of a 1989 University of Minnesota survey of 549 PSEO students who graduated from high school in 1987 or 1988. In addition to the top four reasons, students also said they took PSEO courses because they were more mature than their peers, because they had a unique interest, because they had taken all the advanced standing courses available in the district, or because they wanted to get a headstart on college since they were planning to enroll at the University the next fall. Relatively few students took PSEO courses because their parents wanted them to.

Is it constitutional to use public education dollars to pay for PSEO courses taken at private, religiously affiliated colleges?

Federal and state courts have found the PSEO program to be constitutional. Although state statute prohibits students from taking sectarian courses through the PSEO program, it allows students to take PSEO courses at a private college that has religious affiliation. The Minnesota Federation of Teachers challenged this aspect of the PSEO program in both state and federal court, questioning the constitutionality of directing public funding to private, religiously affiliated colleges. Both the state and federal courts determined that the funding was constitutional.[5] Those decisions were based on the following factors:

- The church or denomination affiliated with the college did not control course structure or content.
- Students were admitted to the religiously affiliated colleges without regard to the students' religious affiliation.
- The colleges did not indoctrinate or proselytize students.
- The colleges subscribed to the principals of academic freedom.
- PSEO students could not take religion or theology courses.

The state and federal courts determined that the PSEO program was neutral in providing funding to participating postsecondary institutions, and that the benefit to any institution was indirect, since it resulted from individual student choice.

[5] The federal court determined that the colleges named in the suit were not "pervasively sectarian," with the exception of Bethel College. The issue of whether Bethel College is pervasively sectarian and whether PSEO payments to the college are constitutional is still before the state court.

Can students take PSEO courses in the high school?

Some PSEO courses are offered in a high school instead of on a college campus. School districts can arrange to offer college courses in the high schools by contracting directly with a postsecondary institution. The postsecondary institution and the school district agree on the type of courses to be offered, who will teach them, teacher reimbursement, and the cost of the program for each student. Many of these courses are taught by high school teachers under the supervision of college faculty. Students taking college courses in the high school receive secondary credit and may apply to transfer postsecondary credit in exactly the same manner as regular PSEO students. For example, College in the Schools is a program offered by the University of Minnesota that provides PSEO courses for students in their high schools. This program allows high school juniors and seniors to take regular introductory-level University courses in the high school instead of on campus. These courses are developed by University faculty and taught by selected high school teachers during the regular school day.

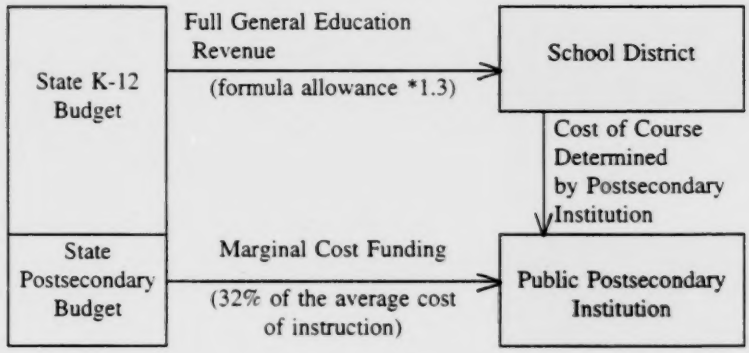
Other postsecondary institutions have similar programs. At the community colleges, the program that provides college courses in the high school taught by high school teachers is called "concurrent registration." Some community colleges have worked with districts to provide courses in the high school for many years. Some technical colleges were providing these courses in 1991-92, and more plan to provide them in 1992-93.

How are college courses in the high schools funded?

School districts fund college courses in the high school by contracting directly with a postsecondary institution. Beginning in FY 1993, school districts will receive full general education revenue for a PSEO student taking a college course in the high school. (This is in contrast to the fact that districts receive only a portion of general education revenue for students participating in the regular PSEO program.) The district then pays the postsecondary institution the rate agreed on by the postsecondary institution and the district. Some postsecondary institutions also receive marginal cost funding from the postsecondary budget for students taking college courses in the high schools.[6]

Figure 4

FY 1993 Funding for Students Taking College Courses in High School



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[6] The University of Minnesota operates its College in the Schools program through its extension program and receives no postsecondary funding for College in the Schools students. That program operates using only the funding received from the school districts for participating students. Other institutions do receive marginal cost funding for students taking college courses in the high school.

Why was the law changed in 1992 to include programs like College in the Schools in the PSEO program?

In 1992, the legislature specifically authorized programs like College in the Schools under the auspices of the PSEO program. Two things happened in 1991 that affected the existing programs that provided college courses in the high school.

1) Although some programs that provided college courses in the high school had been in existence for several years and had been operated under the PSEO program, questions arose concerning whether courses taught at a high school, not at a postsecondary institution, were authorized under the existing PSEO law.

2) Changes in PSEO funding made by the 1991 Legislature had some significant, and unanticipated, effects on programs offering college courses in the high schools. Postsecondary institutions that provided college courses in the high schools to districts for less than the cost of tuition would have been forced to raise their rates.

   In 1991, the legislature specified that beginning in FY 1993, the state would no longer reimburse a postsecondary institution for the cost of a PSEO student's tuition. Instead, it would pay a postsecondary institution a flat per credit amount for each PSEO course taken. In 1991-92, the University charged school districts less than the usual tuition charge for each student taking a College in the Schools course -- $72 per pupil, per course (not per credit). Under the 1991 funding changes, the University would have to charge $78 per credit for a College in the Schools course, or $312 per pupil in FY 1993.

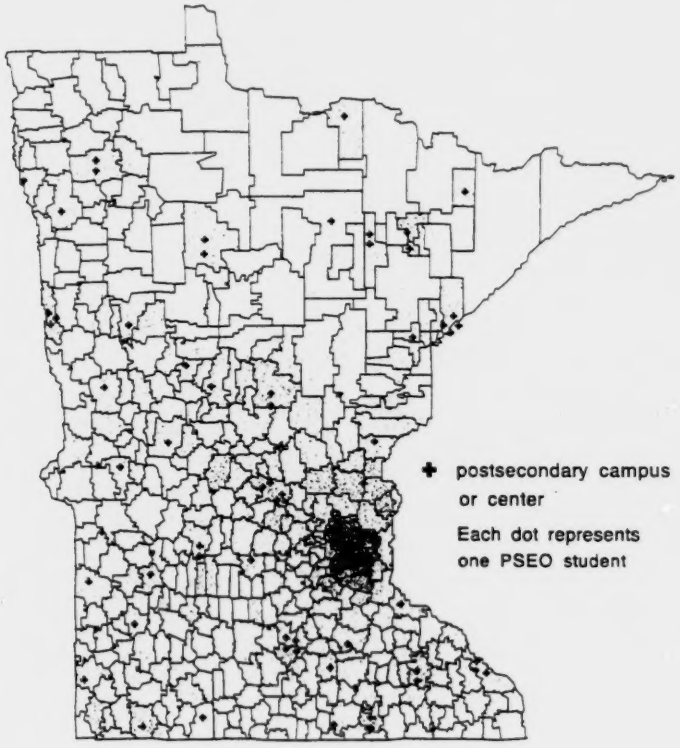
In response to these two issues, the 1992 Legislature specified that students taking college courses in the high schools were to be treated as PSEO students, except that districts would receive full funding for those students, were authorized to negotiate the cost of the courses with the postsecondary institution, and could offer the courses in the high school or other off-campus location.

Findings

How many PSEO students were there?

7,540 PSEO students from all over the state participated in the PSEO Program in 1991-92. The map on this page shows the number of PSEO students in each school district. On the map, each dot represents one PSEO student. Almost half the students (3,547) were from the seven county metropolitan area and slightly over half (3,993) from greater Minnesota. This distribution matches the distribution of all K-12 students in the state: 47% in the metropolitan area and 53% in greater Minnesota.

Distribution of PSEO Students, 1991-92



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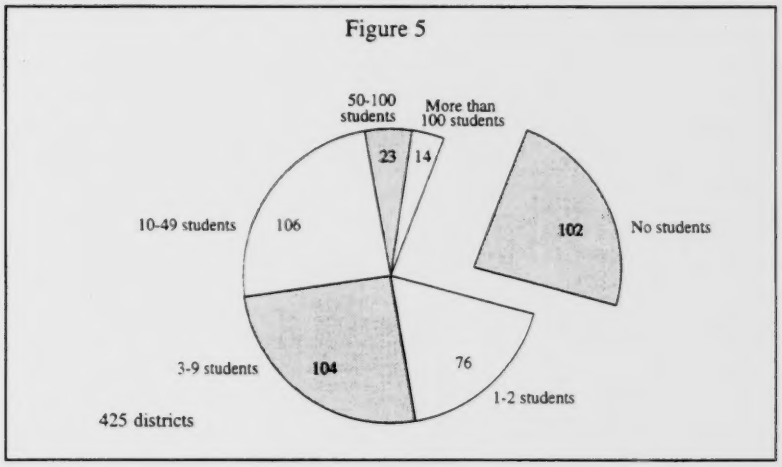
How widespread was PSEO participation?

Students in 323 of the state's 425 school districts took PSEO courses in 1991-92. Figure 5 shows 323 districts, over 75%, had at least one student participating in PSEO. Most of the districts (180) had between one and nine students participating, and only 14 of the districts had more than 100 students participating.

School Districts Grouped by the Number of PSEO Students, 1991-92

Figure 5

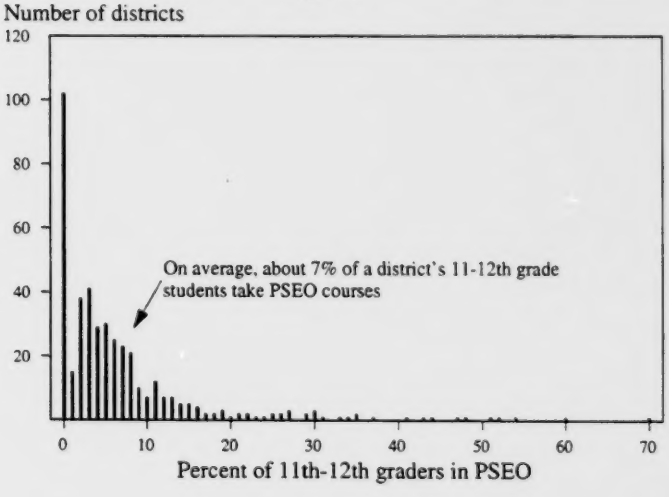


How many students in each district participated?

On average, about 7% of a district's 11th and 12th grade students participated in PSEO. Figure 6 shows that the rate of participation statewide ranged from no students for just over 100 districts to 70% of one district's 11th and 12th graders.

Percent of 11-12th Graders Participating in PSEO in School Districts

Figure 6



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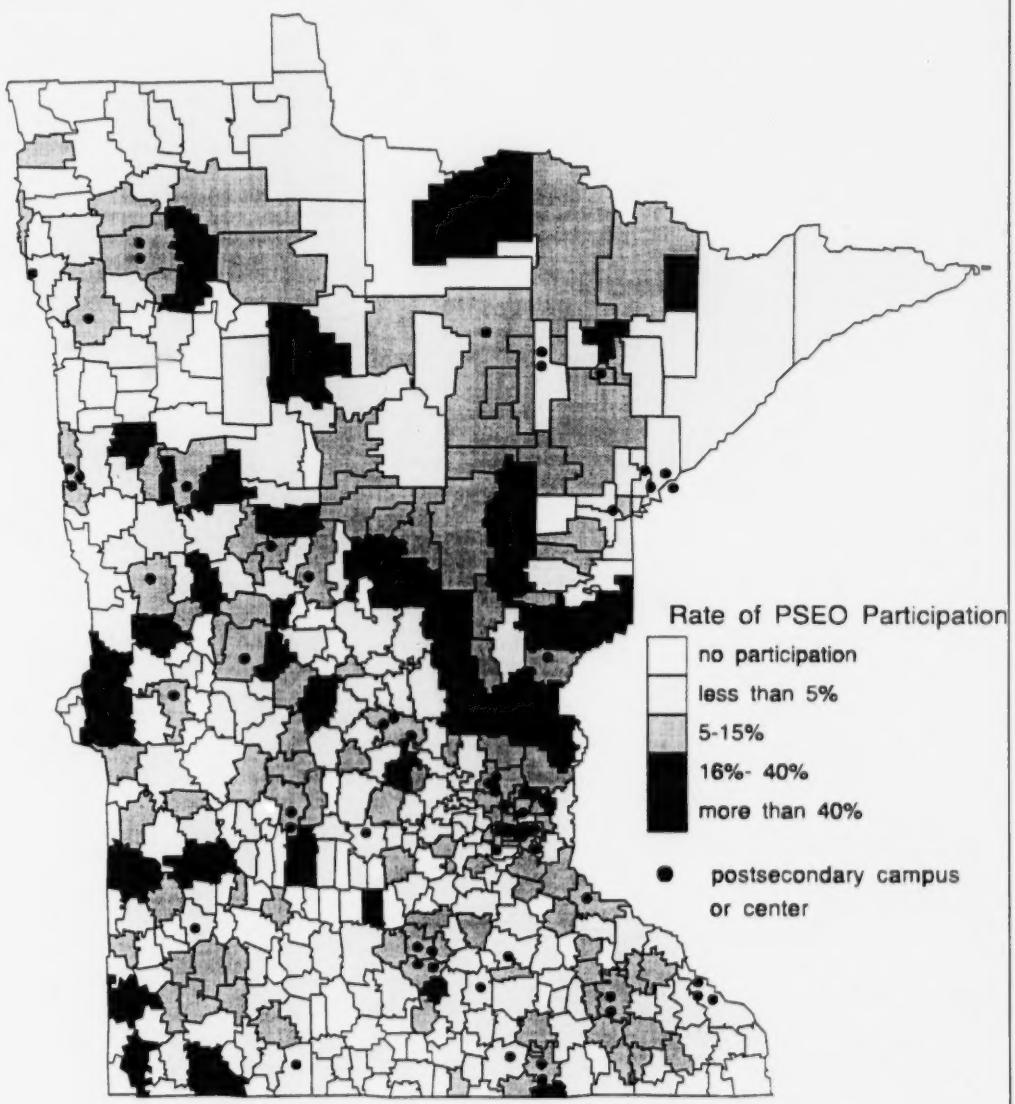
What kind of districts had very high or low PSEO participation rates?

In general, districts located closer to postsecondary institutions had higher PSEO participation. The map on the next page shows the percent of 11th and 12th grade students in each district who took PSEO courses. Districts with no student participation tend to be those located at a greater distance from a postsecondary institution. Districts with moderate rates of participation (5-15%) tend to be those relatively close to a postsecondary institution. However, the districts with the highest concentration of PSEO students, over 40% of the district's 11th and 12th grade students, had no readily accessible postsecondary institution. Superintendents in those districts reported that most of the PSEO students in their districts participated in college courses provided in the high school where the district contracted with a postsecondary institution to provide college courses for students in the high school, taught by a high school teacher.

Rate of PSEO Participation in School Districts
1991-92



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Districts with no PSEO participation also tend to be smaller than other districts. Table 1 compares the size of school districts with different rates of PSEO participation among the districts' 11th-12th graders. In addition to being located at some distance from a postsecondary institution, districts with no PSEO students tend to be much smaller than districts with PSEO participants. Districts with no PSEO students had, on average, 259 students in weighted average daily membership (WADM), compared to districts with 1-3% of their 11th-12th graders with 2,964 WADM.

Comparison of District Size by PSEO Participation

Table 1

	Number of Districts	FY 1992 Weighted ADM
No participation	102	259
0.1-3%	94	2,964
3.1-15%	182	5,959
More than 15%	48	1,495

Weighted ADM is the number of students in average daily membership the district with secondary students weighted by 1.3.

Districts with relatively high PSEO participation were of moderate size. This is probably due in large part to high participation in college courses provided in the high school. Some of the districts that make extensive use of this program are of moderate size, often at a greater distance from a postsecondary institution. These districts, looking for a cost effective way to provide curricular opportunity for their students, provide postsecondary classes in the high school and have very high percentages of their 11th and 12th grade students involved.

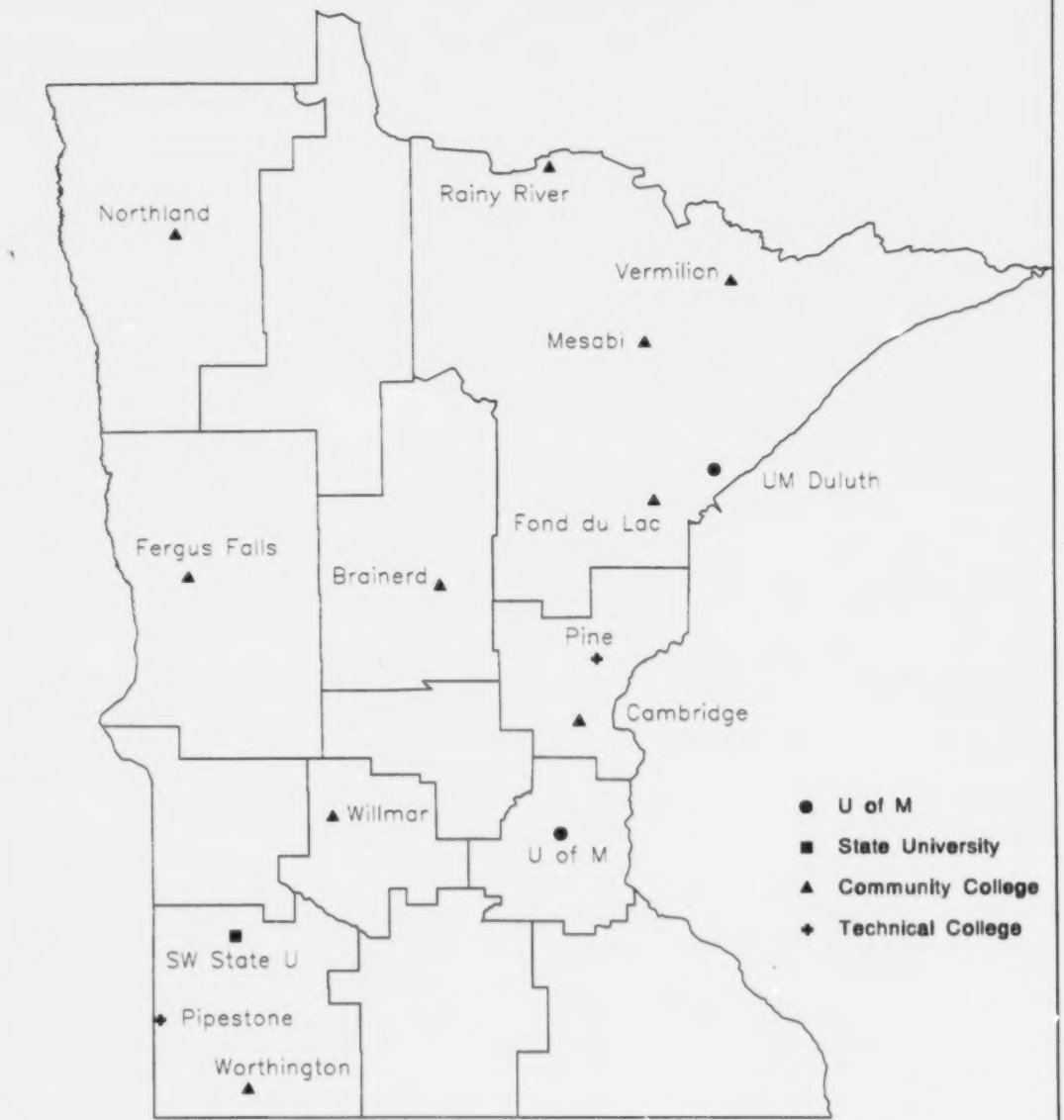
Small districts may not have the critical mass of students necessary to offer college courses in the high school. The low participation rates in smaller districts located at a distance from a postsecondary institution indicate that programs providing college courses in the high schools have not yet spread to those districts. These districts may have too few students to be able to offer a full class in the high school. The cost of such a program with less than a full class of students could be prohibitive.

How widespread is participation in programs that provide college courses in the high schools?

Institutions in the community college and state university systems as well as the University of Minnesota provided college courses in the high school to over one-third of the PSEO students. It is difficult to specify the exact extent of student involvement in programs that provide college courses in the high schools in 1991-92. The Minnesota Department of Education does not distinguish students taking college courses in the high school from regular PSEO students in its financial data base. The University and the state university system were able to provide a count of College in the Schools students; the community colleges could provide only a fall quarter 1993 breakdown of their concurrent registration students, and we received limited information from the technical colleges.

The map on the next page shows the location of the postsecondary institutions that offered college courses in the high school according to information provided by the postsecondary systems. Based on the information available, a total of 15 postsecondary institutions provided college courses in the high schools: 10 community college campuses, two technical college campuses, the University of Minnesota (Twin Cities and Duluth), and Southwest State University offered college courses in the high school. The University reported approximately 1,600 College in the Schools students in 1991-92 in the metropolitan area and 378 in Duluth. Southwest State University reported 316 students at 20 high schools. The technical colleges reported that two campuses worked with school districts to provide courses in the high schools for about 180 students in 1991-92, and four additional campuses began such a program in 1992-93. The Community College system reported 611 concurrent registration students for fall quarter, 1993 -- a number the system feels is representative of 1991-92 concurrent registration.

Postsecondary Institutions Providing College Courses in the High School, 1991-92*



*Boundaries represent economic development regions.

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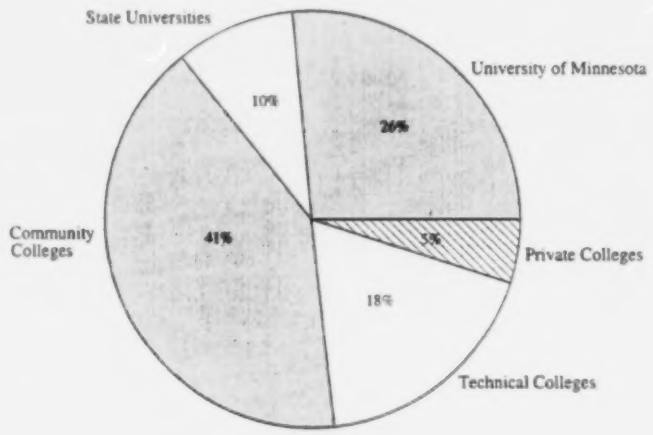
Where do PSEO students take courses?

Statewide, most PSEO students take courses at or through a community college or the University of Minnesota and relatively few take courses at a private college. Figure 7 shows that 41% of PSEO students took courses at a community college. Relatively few PSEO students took courses at a state university (10%) or a private college (5%).

Postsecondary Distribution of PSEO Students Statewide

Figure 7



Based on 7,540 PSEO students in 1991-92

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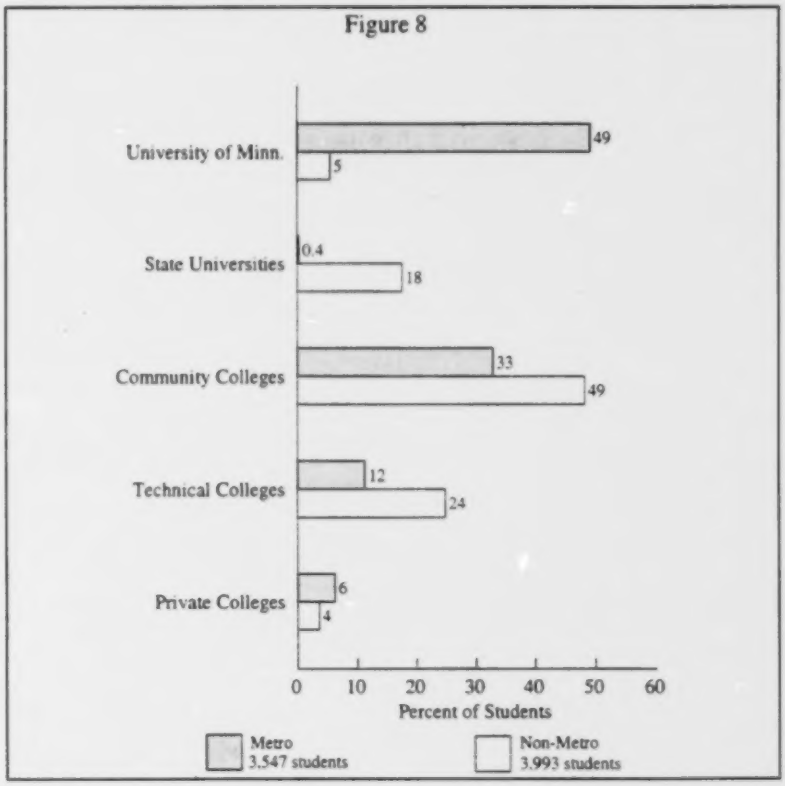
Figure 8 shows that in the metropolitan area, almost half the PSEO students took courses offered at or through the University of Minnesota, in contrast to greater Minnesota where almost half the students took courses at or through a community college. Both the University of Minnesota and the community college system report high student participation in their College in the Schools or concurrent registration program, where the school district and a postsecondary institution provide college courses in the high school. This probably explains the high participation for the University of Minnesota and the community colleges.

Students in greater Minnesota were more likely to take courses at a technical college than students in the metropolitan area. This may be in part because in some areas of the state, a technical college is the only local option.

Approximately 4% of the PSEO students (335 students) attended more than one postsecondary institution during the year.

Postsecondary Distribution of PSEO Students in the Metropolitan Area and Greater Minnesota

Figure 8



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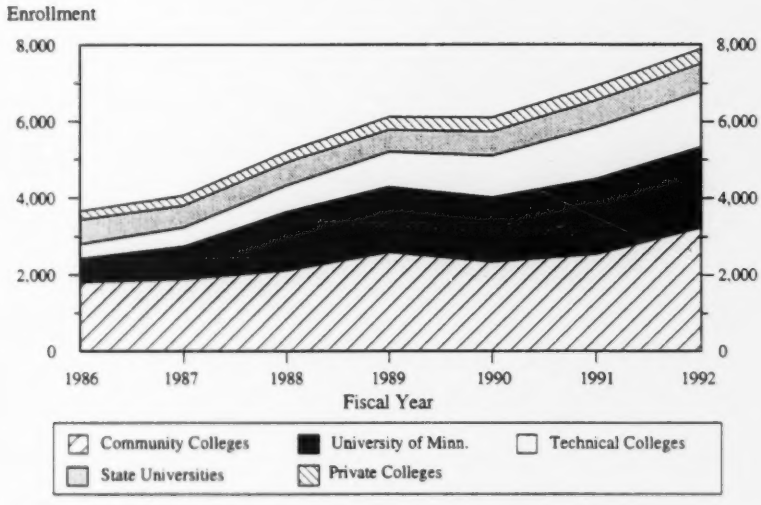
Most of the growth in participation has occurred at the University of Minnesota. Figure 9 shows that participation at the University of Minnesota has more than doubled since PSEO began in 1985-86. The community colleges have always had the largest share of PSEO students, and participation continues to grow in that system. The number of PSEO students at technical colleges was very small when the program began, but has steadily increased. The relatively low participation at the state universities and private colleges has changed very little since the program began.

Figure 9

Student Enrollment in PSEO for Each Postsecondary System, 1986-1992*



*The total enrollment for each year is inflated since students who attended more than one type of postsecondary institution are counted once for each type of institution they attended.

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The Minnesota Department of Education attributes much of the growth in PSEO participation to programs that provide college courses in the high school. Part of the PSEO enrollment increase in 1991-92 may have been a function of how high schools defined PSEO students. Some districts that were not counting students taking college courses in the high school as PSEO students prior to 1991-92 began counting them as such in 1991-92. The popularity of college courses offered in the high school has also led to increased enrollment. The University of Minnesota had 288 students participating in College in the Schools in 1987-88, and reports that over 1,600 students participated in 1990-91.

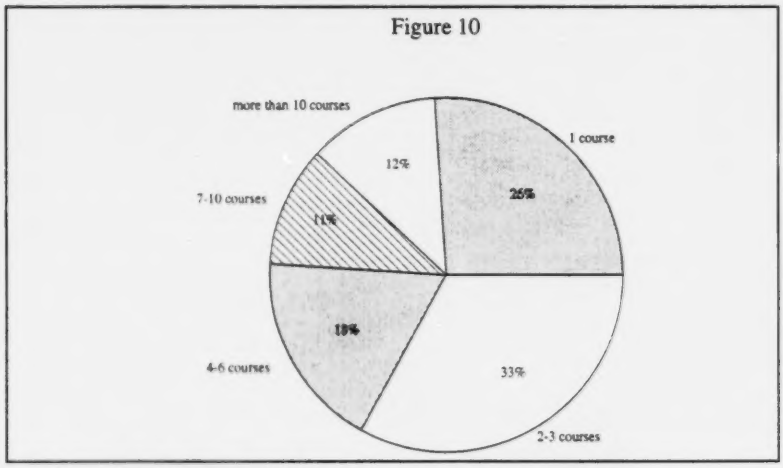
Since districts will receive full funding for students taking college courses in the high school beginning in FY 1993 and will pay the postsecondary institution directly for those courses, those students will no longer be reported to MDE for accounting purposes. Consequently, the official PSEO student count will begin to decline in FY 1993.

How many courses and credits did PSEO students take?

Most of the students took three or fewer courses during the 1991-92 school year. Figure 10 shows about one quarter of the students took only one course that year, while 41% took four or more courses. Comparable patterns are evident when examining the number of PSEO credits students took.

PSEO Students Grouped by the Number of PSEO Courses Taken

Figure 10

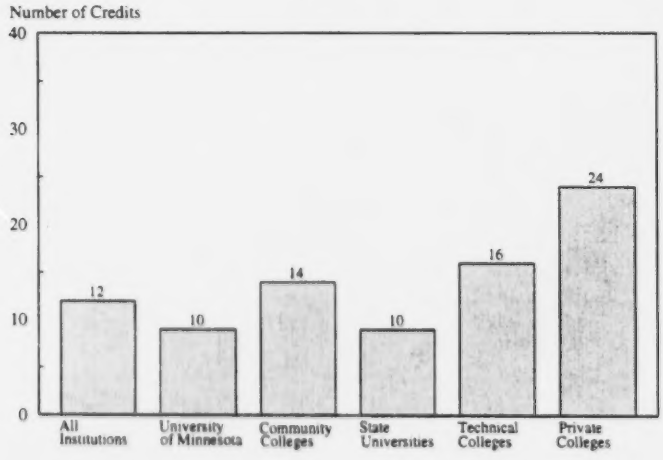


*Based on 7,540 PSEO students. Courses are all converted to their quarter equivalents.

Most students took about 12 PSEO credits in 1991-92. Figure 11 shows the median number of credits PSEO students took by type of postsecondary institution during the 1991-92 school year. The median number of credits represents the 50th percentile, or the middle of the distribution: half the students took more credits; half took less. Unlike the mean, the median is not skewed by the relatively few students taking an extremely low or high number of credits.

Figure 11

Median Number of PSEO Credits, 1991-92*



*Credits are all converted to their quarter equivalents.

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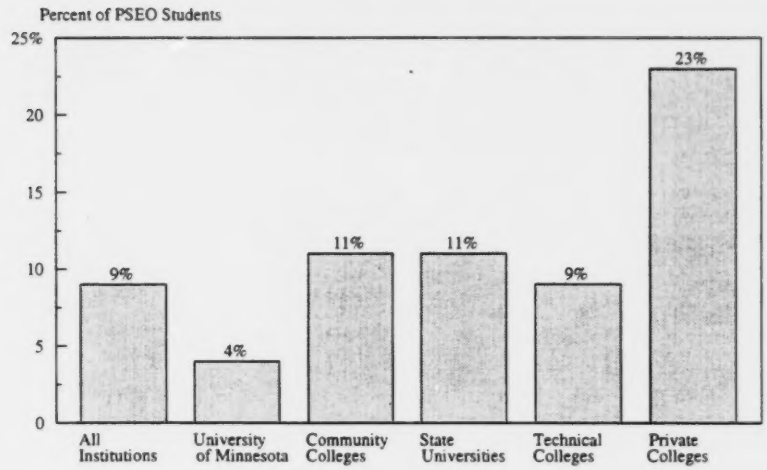
Students attending private colleges took the most credits. Figure 11 shows that half the PSEO students attending private colleges took 24 or more quarter credit equivalents during the year, compared to students at the University of Minnesota and the State Universities, half of whom took 10 or fewer quarter credits during the year.

Statewide, 9% of the students took a full-time load of PSEO credits (Figure 12). A full-time load is defined as 45 or more quarter credit equivalents. Students attending a private college were most likely to attend full-time (23% attended full-time) while only 4% of students at the University attended full-time.

Figure 12

Percent of PSEO Students Attending Each Type of Institution Full-Time



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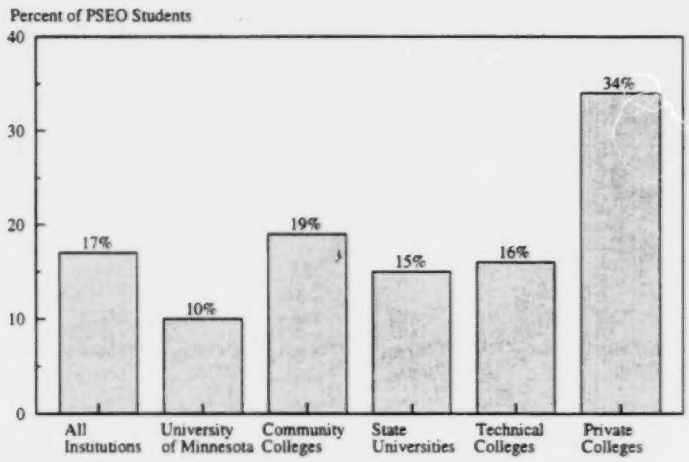
However, 17% of PSEO students spent no time in the high school at all (Figure 13). Some students, particularly seniors, may have completed enough of their high school graduation requirements that they can fulfill the remainder through PSEO without taking a full-time load at a postsecondary institution.

Figure 13 shows that the percent of students who spent no time in the high school varied depending on where students took courses. Only 10% of the PSEO students taking courses at the University spent no time in the high school, compared to 34% of the students taking PSEO courses at a private college.

Figure 13

Percent of PSEO Students Not Attending High School



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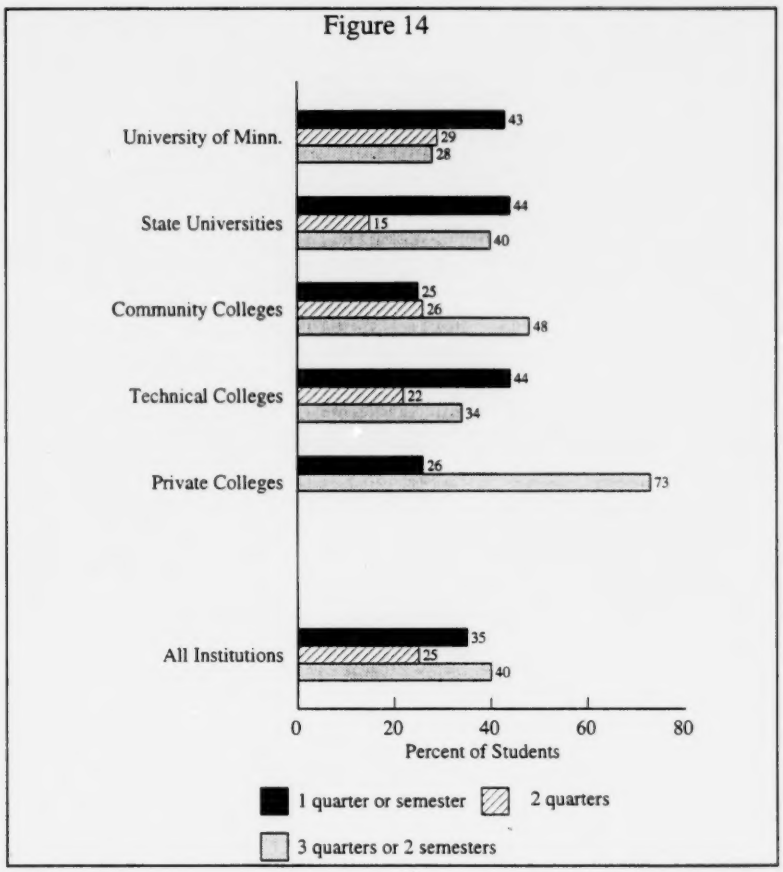
Approximately 40% of PSEO students were enrolled for all three quarters or both semesters. Figure 14 shows the percent of students in each type of postsecondary institution who took PSEO courses for part of the year (one quarter or semester, or two quarters) or for the entire year (two semesters or three quarters). Almost as many students (35%) enrolled only one quarter or semester as enrolled all terms. This pattern varied by the type of institution attended.

Percent of PSEO Students Enrolled for One, Two, or Three College Terms

Figure 14



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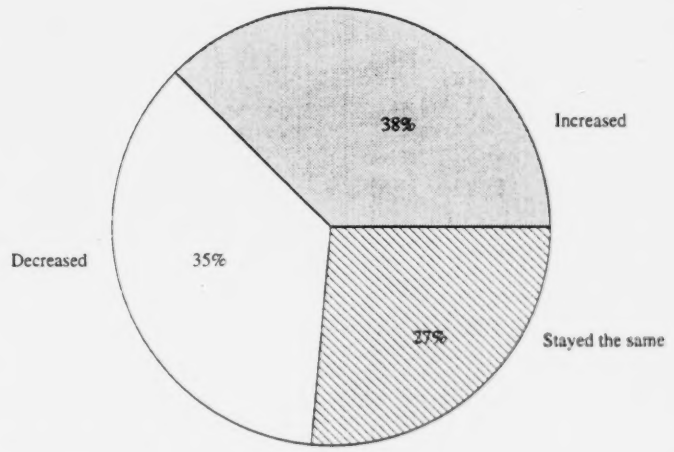
Students taking courses at technical colleges, state universities, and the University of Minnesota were most likely to take classes for only one term (Figure 14). Almost half the PSEO students attending each of these three types of institutions enrolled for only one quarter. The rest of the students enrolled for two or three quarters. In contrast, only a quarter of the students taking PSEO courses at private colleges attended one semester while almost three-quarters enrolled for both semesters.

Over two-thirds of the students maintained or increased the number of PSEO credits they took in subsequent terms. Figure 15 shows how students' credit loads changed throughout the 1991-92 academic year. Fewer than one-third of the students took fewer PSEO credits in subsequent terms.

Change in Credit Load from the First Term to the Subsequent Term

Figure 15



Students were categorized as follows: if students took PSEO courses during the first academic term (fall quarter or semester) they are categorized based on a comparison to the average number of credits per term for the remaining one or two terms.

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What types of courses did PSEO students take?

PSEO students took about 32,000 postsecondary courses in 1991-92. Half those courses were communications, social science, or vocational courses. Figure 16 shows that the most popular courses were communications courses (almost 8,000 courses - 24% of all PSEO courses). These include English, composition, speech, and literature courses. Social science courses such as sociology, political science, economics, and psychology were also very popular, comprised 20% of all PSEO courses. Vocational courses, primarily offered at a technical college such as office management or auto repair, accounted for 12% of the total PSEO courses taken.

Types of PSEO Courses Students Took

Figure 16

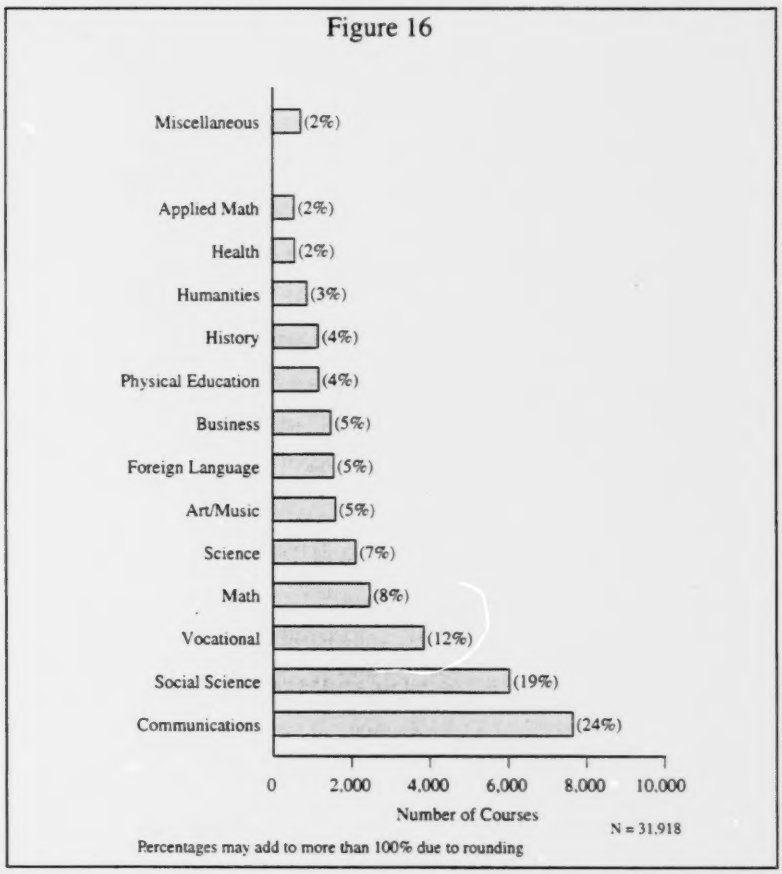

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Table 2 shows the types of courses included in each category. The miscellaneous category contains primarily courses that could not be identified given cryptically abbreviated course descriptors and the sheer volume of courses.

Table 2
Examples of PSEO Courses Taken in 1991-92

Communication	**Social Science**	**Vocational**	**Math**	**Science**	**Applied Math**
English composition speech literature acting	sociology political science economics psychology anthropology geography	office mgmt. medical/dental welding design/CAD typing cosmetology auto child care aviation	calculus geometry trigonometry algebra	chemistry physics biology astronomy ecology geology anatomy	engineering computer science statistics
Art/Music	**Foreign Language**	**Business**	**Humanities**	**Health**	**Miscellaneous**
instrumental voice drawing sculpture photography	French German Spanish other	accounting advertising tax preparation administration/ management	humanities philosophy culture modern world	health/wellness nutrition drug/alcohol awareness	study skills careers general college courses (UM) unidentified courses (non-TVI)

Although this aggregate information gives a good picture of the diversity of PSEO courses, it is interesting to look at the diversity on a student level as well. The next three pages contain tables that show the PSEO courses taken by a random selection of students at each type of institution. Looking at individual students provides a clearer picture of how students use the PSEO program.

Profiles of PSEO Students With Little Involvement

Table 3 shows profiles of five students, one at each type of postsecondary institution, who took 15 or fewer PSEO credits during the 1991-92 school year. These students simply supplemented a relatively small portion of their high school curriculum with postsecondary coursework during the year.

Table 3
Examples of Part-Time PSEO Students Taking 15 or Fewer Credits

Student and Institution	First Term Courses	2nd Term Courses	3rd Term Courses
12th grade girl St. Paul Technical 9 quarter credits			Cosmetology 1701-2-3
11th grade boy N. Hennepin C.C. 8 quarter credits		Algebra 110 American Gov't 102	
12th grade boy St. Cloud State U. 4 quarter credits	American Gov't 111		
11th grade girl U of MN, Extension 12 quarter credits	Geology 1001	Environment 1112 Women Writers 1621	
12th grade girl Mpls. Coll Art&Des 2 semester credits		Art 9101 Art 1511	

The information in this table is based on a stratified random selection of PSEO students registered for 15 or fewer credits in 1991-92; 63% of the 7,540 PSEO students in 1991-92 took 15 or fewer credits.

Profiles of PSEO Students with Moderate Involvement

Table 4 shows five students who took a moderate number of PSEO courses. One- to two-thirds of the coursework these students took was secondary, the rest was postsecondary.

Table 4
Examples of Part-Time PSEO Students Taking 16-30 Credits

Student and Institution	First Term Courses	2nd Term Courses	3rd Term Courses
12th grade boy SW Area Technical College, Pipestone 18 quarter credits	Auto Body	Auto Body	Auto Body
12th grade girl Normandale C.C. 23 quarter credits		Engl Composition 101 Algebra 90-17	Anthropology 127 Economics 106 Algebra & Trig 99
12th grade boy Winona State U. 24 quarter credits	Latin Amer History 165 Geography of Africa 224	Classical Mythology 223 Business 110	Political Science 103 History of Mexico 223
12th grade girl U of MN, extension 23 quarter credits	Multivariate Analysis 3311 Economics 1101	Diff'al Equations 3321 Economics 1102	Math 3331
12th grade boy Bethel College 17 semester credits (25.5 quarter credit equivalents)	Psychology 100 Communications 130 Writing 110	Literature 100B Environment 102D	
The information in this table is based on a stratified random selection of PSEO students registered for 16-30 credits in 1991-92; 19% of the 7,540 PSEO students in 1991-92 took 16-30 credits.			

Profiles of Full-Time PSEO Students

Table 5 shows course profiles for five full-time PSEO students. These students probably took no courses in the high school.

Table 5
Examples of PSEO Students Registered for a Full-Time College Load

Student and Institution	First Term Courses	2nd Term Courses	3rd Term Courses
12th grade boy Anoka Technical College 46 quarter credits	Electronic Tech.	Electronic Tech.	Analog 1630 Analog 1632 Digital 1639 Computer 1637
12th grade girl Rainy River C.C. 56 quarter credits	Economics 101 American History 131 Calculus 222 Physics 101 Humanities 201	English 235 American History 132 Math 223 Physical Ed 104 Physical Ed 160 Physics 102	Health-Wellness 181 American History 133 Theater 121 Government 131 Ecology 111
12th grade girl Mankato State U. 50 quarter credits	College Algebra 1111 Political Thought 1061 Theater 1011	Child Psychology 1301 Economics 1295 Art 1481 Biol. Human Body 1132 People & Problems 1211	Phys Ed 119 Chemistry 100 Communications 150 Social Policy 100 Psychology 102
11th grade boy University of MN (extension) 46 quarter credits	Chemistry 1161 Trigonometry 1008 English Composition 1011 Political Analysis 3051	College Algebra 1111 Expository Writing 1027 Physics 1045 Physics 1041 Soc Pol 3352	Calculus 1211 Foreign Policy 3836
12th grade girl U. of St. Thomas 36 semester credits (54 quarter credit equivalents)	English 190 American Government 101 Psychology 111 Sociology 100	Chemistry 100 English 270 History 102 Statistics 209 Hist: Peace/Justice 250	Not applicable in semester system

The information in this table is based on a stratified random selection of PSEO students taking a full time postsecondary load in 1991-92; 9% of the 7,540 PSEO students in 1991-92 took a full-time postsecondary load.

How well did PSEO students do?

This report is based on PSEO student enrollment. It is not adjusted for students who drop out or fail their PSEO courses. We collected data from each of the postsecondary systems to look at whether PSEO students completed their courses. Table 6 shows the number of PSEO students who withdrew, failed, or did not complete one or more PSEO courses. The table also shows the percent of PSEO courses that were dropped, failed, or not completed.

About 15% of all PSEO students failed one or more postsecondary courses (Table 6). These rates varied by the type of institution, with 6% of the PSEO students taking courses at a private college failing one or more courses compared to 25% of the technical college PSEO students. However, if the number of courses involved is examined, as in the second half of Table 6, it provides a slightly different perspective.

Only 7% of all PSEO courses were failed. However, the rate of course failure varied significantly for different types of institutions. PSEO students at the technical colleges failed two to three times more courses than students at other types of institutions.

Table 6
Completion Rates for PSEO Students and PSEO Courses: 1991-92

	PSEO Students			PSEO Courses		
	% who dropped 1+ courses	% who failed 1+ courses	% who did not complete 1+ courses	% of courses dropped	% of courses failed	% of courses not completed
U of Minnesota	12.4%	7.7%	4.4%	4.0%	4.1%	2.1%
State universities*	10.1	9.8	1.6	3.4	3.5	0.4
Community colleges	17.7	18.1	2.5	4.9	6.5	0.5
Technical colleges	15.0	24.5	6.8	14.8	11.3	2.0
Private colleges	15.9	6.2	4.5	4.7	2.0	0.3
Total	**15.2%**	**15.5%**	**3.9%**	**7.1%**	**7.0%**	**1.1%**

Information in this table was provided by the institution or the postsecondary system office. The total number of students and courses reported by the institutions was 7,490 and 36,691 respectively.

*No information from Mankato State University or Winona State University was available for this table.

PSEO Funding

What is the financial effect of the PSEO program on school districts?

Recent changes in the PSEO funding process have resulted in school districts receiving significantly less funding for PSEO students. Table 7 shows simulations of the statewide effect of changes in the PSEO funding process using the FY 1992 PSEO student base. The numbers for FY 1992 funding are actual costs and payments. The numbers for other years were calculated using the FY 1992 PSEO population -- not actual costs and payments. The simulations show that in 1991-92 school districts would have received almost $29 million in general education revenue for their PSEO students in the absence of the PSEO program. Under the original PSEO funding process, in effect through FY 1991, districts would have received $22.5 million in general education revenue, about $6 million less. The funding changes implemented in FY 1992 cost districts approximately an additional $2 million. If student participation remains constant, the districts will lose about $3 million more due to funding changes in FY 1993.

Table 7
Simulated Statewide Effect of Changes in PSEO Funding on School Districts, Postsecondary Institutions, and PSEO Costs

	Funding without the PSEO program	FY 1991 and prior funding	FY 1992 funding	FY 1993 and later funding
Pay to school districts (K-12)	$28,814,000	$22,496,000	$20,770,000	$17,501,000
Pay to postsecondary institutions from K-12 budget		$6,317,000	$6,317,000	$9,949,000
Pay to postsecondary institutions from postsecondary budget		$8,318,000	$3,973,000	$3,973,000
Total paid to postsecondary institutions		$14,635,000	$10,290,000	$13,922,000
Total cost to state	**$28,814,000**	**$37,131,000**	**$31,060,000**	**$31,423,000**

Each simulation is based on the 7,540 high school students who were enrolled in PSEO in FY 1992. College costs are the per credit costs for each institution in FY 1992; the FY 1992 formula allowance for each student was $3,050 and the secondary pupil weighting was 1.3. Payments to postsecondary institutions may be somewhat inflated since the University of Minnesota did not receive any postsecondary funding for College in the Schools students. Since the data do not permit the identification of all College in the Schools students, these simulations assume postsecondary payments for some students who did not receive them. These simulations are based on preliminary data from the department of education. Adjustments in that data will affect these numbers.

Total payments to postsecondary institutions for PSEO students declined in FY 1992 but regained ground in FY 1993. Table 7 shows that the total state payment to postsecondary institutions from both the K-12 and postsecondary sides of the budget under the original funding would have been about $14.6 million: $6.3 million from the K-12 budget and $8.3 million from the postsecondary budget. In FY 1992, the total postsecondary PSEO funding was reduced to about $10.3 million as institutions received marginal cost funding instead of average cost funding for PSEO students from the postsecondary budget and K-12 funding remained constant. In FY 1993, total postsecondary PSEO funding almost regained its original level, up to $13.9 million, as funding from the K-12 side of the budget was increased by about $4 million.

What does PSEO cost the state?

The total cost of the PSEO program to the state in FY 1992 was about $2.2 million. Table 7 shows that in FY 1992, the total cost of PSEO students was about $31 million. If there had been no PSEO program, the cost for those students would have been $28.8 million. The difference between these two figures, $2.2 million, is the cost of the program. That cost may increase in FY 1993 if student participation remains constant.

Is PSEO a good fiscal investment?

In the long term, the state may save money if students participate in PSEO. The state pays part of the cost to educate public college students, both PSEO and regular college students. However, the state pays less in postsecondary funding for a PSEO student than for a regular public college student. As a result, every college credit a student takes while in high school instead of in college, saves the state money. Table 7 shows that the postsecondary funding for PSEO students in FY 1992 was about $4 million (marginal cost funding). Had those PSEO students taken the same number of college credits as college students, it would have cost the state over $8 million (average cost funding).

When assessing the cost of the PSEO program to the state, some less tangible potential long-term benefits must also be considered. For example:

- PSEO may give Minnesota postsecondary institutions an advantage in recruiting and retaining some of the best and brightest Minnesota high school students

- PSEO may effectively meet the needs of some students who are failing within the traditional secondary system

Although more research is required to determine whether these benefits do exist, they may be important components of the long-term fiscal soundness of the state's investment in PSEO.

How does PSEO program funding work?

The 1991 Legislature made significant changes in how the PSEO program was funded - decreasing the amount that both school districts and postsecondary institutions would receive for PSEO students beginning in FY 1992. To understand the effects of those changes, on both school districts and postsecondary institutions, it is necessary to look at how the program was originally funded.

Prior to FY 1992...

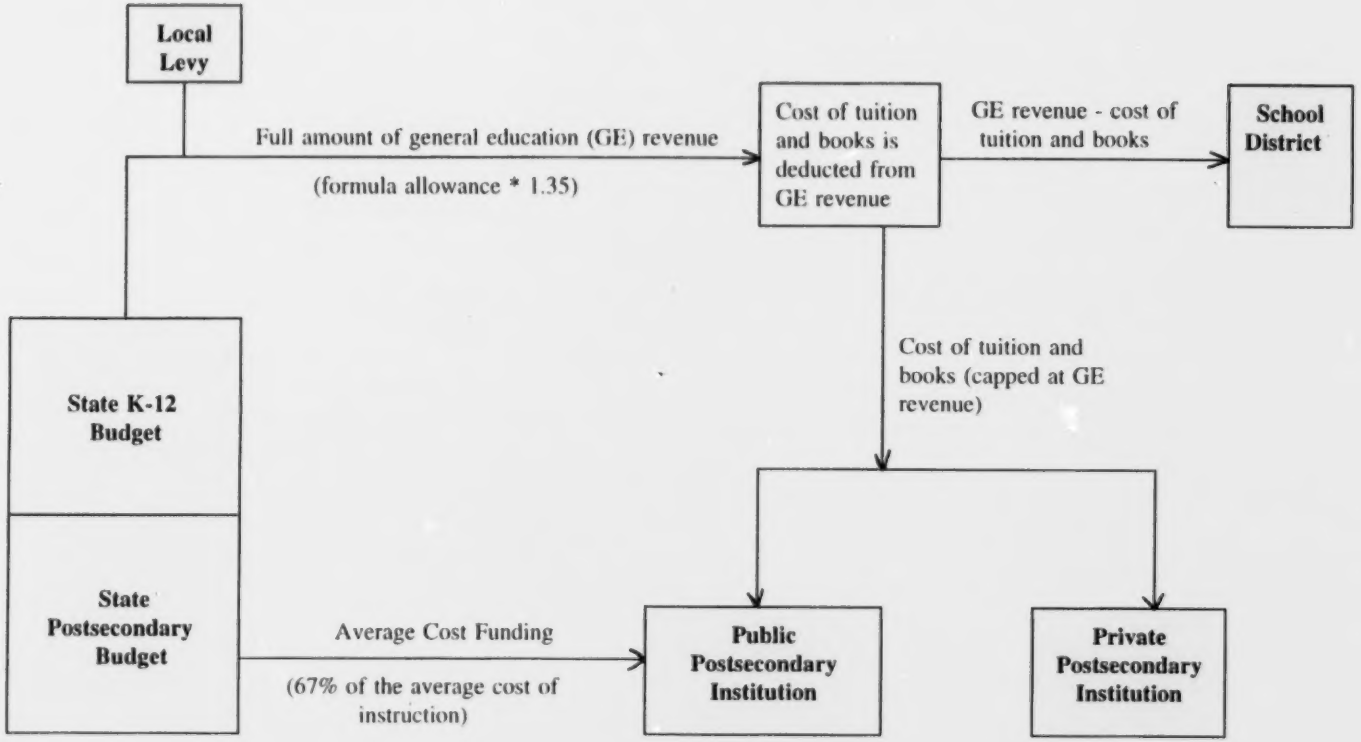
From 1985 through the 1990-91 school year, the state deducted the cost of a PSEO student's tuition, fees, and books from the school district's general education aid and paid it to the postsecondary institution. The postsecondary institution also received average cost funding for each PSEO student. Figure 17 shows how the program funding worked for the first six years of the PSEO program. A school district received full funding for PSEO students and included them in their student count along with non-PSEO students. When a student took a PSEO course, the cost of tuition, books, and fees for that course were deducted from the district's general education aid. The maximum that could be deducted annually was the general education revenue the district received for that student. That aid was then paid to the postsecondary institution, public or private.

The public postsecondary institutions also received funding for PSEO students from the postsecondary side of the budget. Prior to FY 1992, public postsecondary institutions received average cost funding for each PSEO student. This is the same amount of funding that public postsecondary institutions received for regular postsecondary students. Average cost funding is set by the legislature at 67% of the average cost of instruction in each postsecondary system. The average cost of instruction for each public postsecondary system is computed every two years by the Department of Finance based on information from the postsecondary systems. Private postsecondary institutions receive no additional funding from the state.

Under this funding process, some school districts received a percentage of revenue for PSEO students that far exceeded the percentage of time the students spent in the high school. Figure 18 shows an example of the original funding process. The two students in the model are student A, a half-time PSEO/half-time high school student and student B, a full-time PSEO student who spent no time in the high school. The school district received $3,987 for each student (the formula allowance of $2,953 in FY 1991 times the secondary pupil weighting of 1.35). The cost of tuition, fees, and books was deducted from the revenue received for each student ($992 for student A and $1,795 for student B) and paid to the postsecondary institution. The postsecondary institution also received $1,380 for student A and $2,502 for student B from the state for average cost funding.

The district retained $2,995 for the half-time student (75% of the revenue received) and $2,192 for the student who did not attend high school at all (55% of the revenue received). Certainly this situation was not the same for students at all postsecondary institutions. When students attended postsecondary institutions with higher tuition, such as the University of Minnesota or a private college, districts retained little if any excess revenue.

Figure 17
PSEO Funding: FY 1986 - FY 1991


Local Levy
Full amount of general education (GE) revenue
(formula allowance * 1.35)
Cost of tuition and books is deducted from GE revenue
GE revenue - cost of tuition and books
School District
State K-12 Budget
Cost of tuition and books (capped at GE revenue)
State Postsecondary Budget
Average Cost Funding
(67% of the average cost of instruction)
Public Postsecondary Institution
Private Postsecondary Institution

General Education (GE) Revenue = the secondary pupil weight (1.35 for FY 1991) times the formula allowance.

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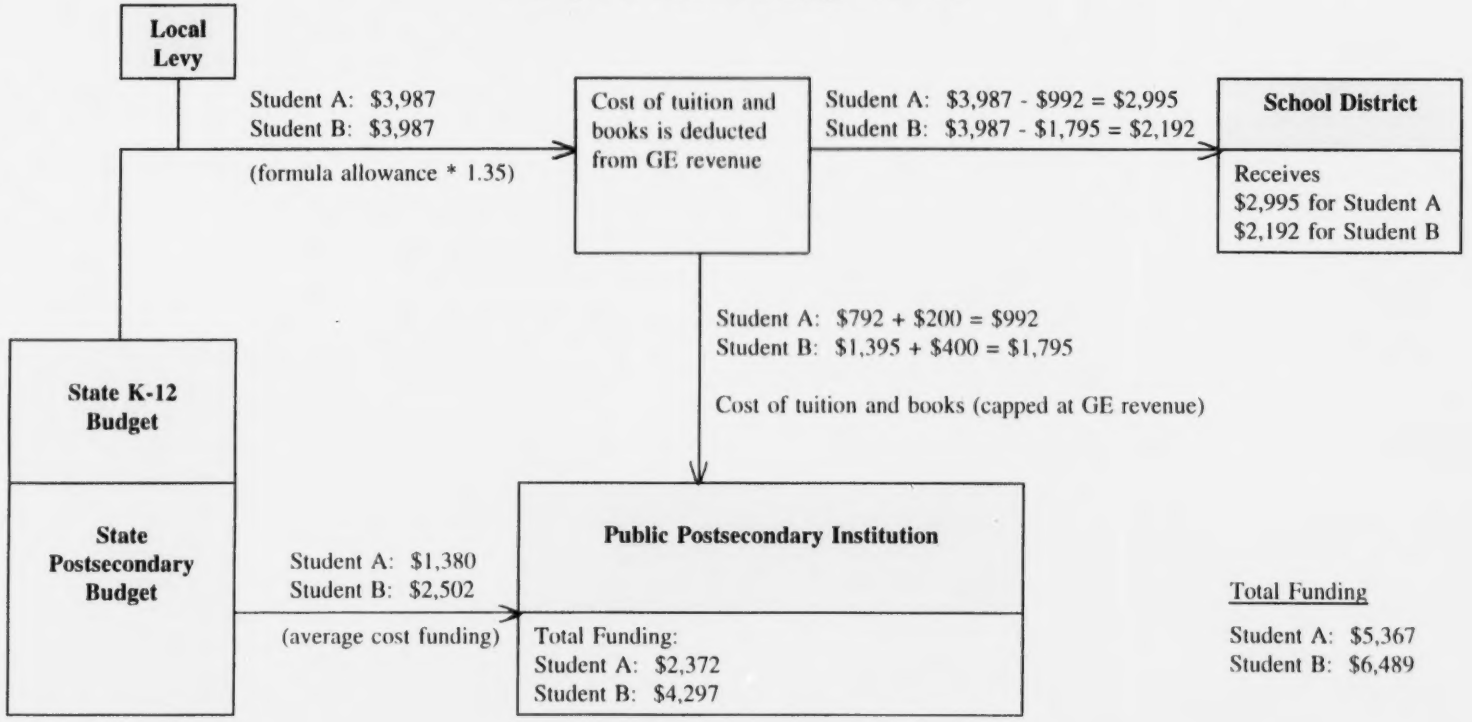
Figure 18
Example of PSEO Funding: FY 1991


Local Levy
Student A: $3,987
Student B: $3,987
(formula allowance * 1.35)
Cost of tuition and books is deducted from GE revenue
Student A: $3,987 - $992 = $2,995
Student B: $3,987 - $1,795 = $2,192
School District
Receives
$2,995 for Student A
$2,192 for Student B
Student A: $792 + $200 = $992
Student B: $1,395 + $400 = $1,795
Cost of tuition and books (capped at GE revenue)
State K-12 Budget
State Postsecondary Budget
Student A: $1,380
Student B: $2,502
(average cost funding)
Public Postsecondary Institution
Total Funding:
Student A: $2,372
Student B: $4,297
Total Funding
Student A: $5,367
Student B: $6,489

Student A: Attended a state university half-time (22 credits/year) at a cost of approximately $36/credit and attended high school half-time.

Student B: Attended a community college full-time (45 credits/year) at a cost of approximately $31/credit and did not attend high school.

Formula Allowance = $2,953 Secondary Pupil Weighting = 1.35

The cost of books is assumed to be $400/year for a full-time postsecondary student.

Average cost funding is approximately 67% of the average cost of instruction. The average cost of instruction per pupil is computed by the Department of Finance for each public postsecondary system.

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In FY 1992...

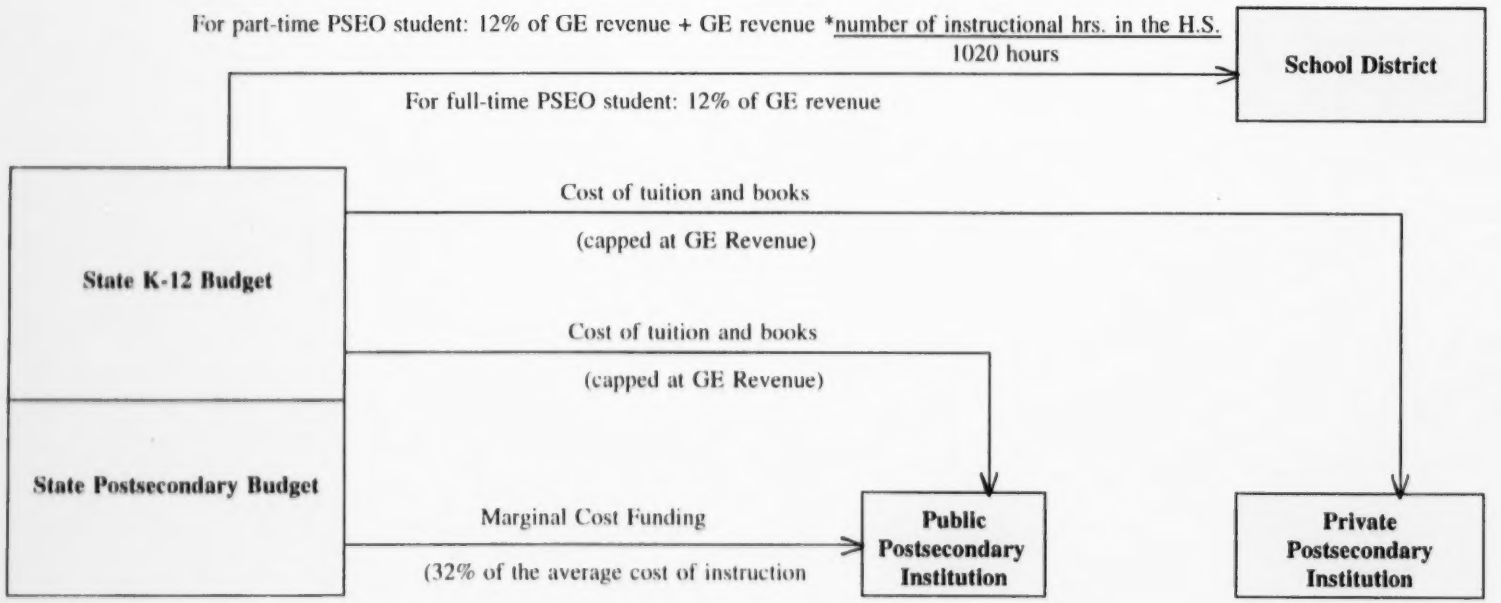
In FY 1992, PSEO funding was in transition. School districts received only a portion of general education revenue for each PSEO student. Figure 19 shows the funding process in place for FY 1992. FY 1992 was a transition year for PSEO funding, as it moved toward the funding process that will be in place for FY 1993. For a part-time PSEO student, a school district received 12% of the general education formula (approximately $476) plus a portion of general education revenue based on the number of instructional hours the student spent in the high school. For the full-time PSEO student who spent no time in the high school, a district received a flat 12% of the general education revenue ($476).

Postsecondary institutions received the cost of tuition, books, and fees for a PSEO course from the K-12 budget as they had in FY 1991; however, funding for PSEO students from the postsecondary budget was reduced from average cost funding to marginal cost funding. Marginal cost funding provides about 32% of the average cost of instruction. Average cost funding provides about 67% of the average cost of instruction. The average cost of instruction per pupil is computed by the Minnesota Department of Finance for each public postsecondary system.

Under this funding process, the revenue the district received was no longer dependent on the amount of tuition that was paid for the student. This transitional funding was intended to begin to recapture what was perceived as the excess revenue school districts received.

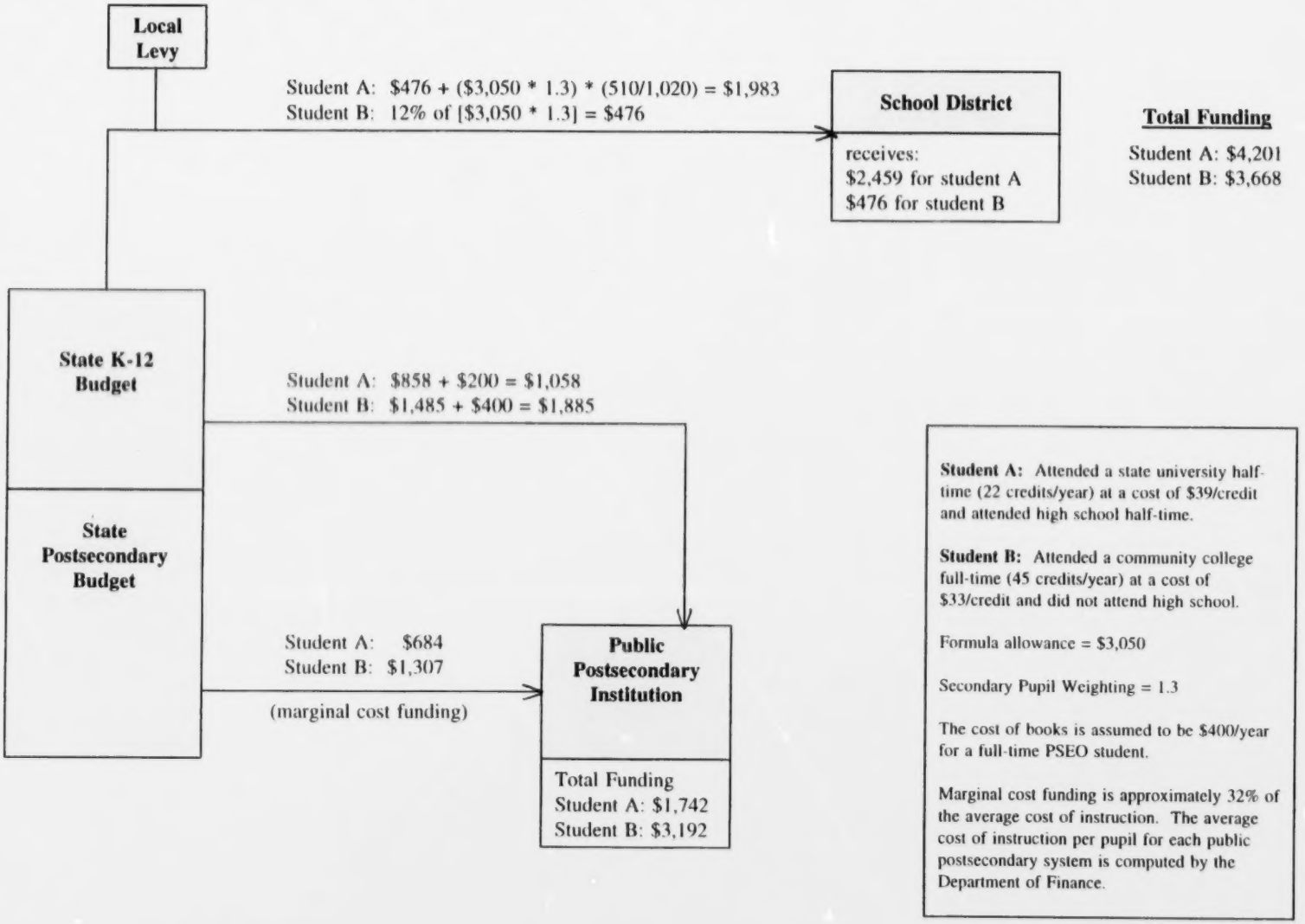
Figure 20 shows an example of the FY 1992 funding process. The district in the example retained about $500 less for the part-time PSEO student and almost $1,700 less for the full-time PSEO student than in FY 1991. The postsecondary institutions also received less for PSEO students than they had in FY 1991.

Figure 19
FY 1992 Funding for PSEO


For part-time PSEO student: 12% of GE revenue + GE revenue *number of instructional hrs. in the H.S. / 1020 hours
For full-time PSEO student: 12% of GE revenue
School District
State K-12 Budget
Cost of tuition and books
(capped at GE Revenue)
Cost of tuition and books
(capped at GE Revenue)
State Postsecondary Budget
Marginal Cost Funding
(32% of the average cost of instruction
Public Postsecondary Institution
Private Postsecondary Institution

General Education (GE) Revenue = the secondary pupil weight of 1.30 times the formula allowance.

Figure 20
Example of FY 1992 Funding for PSEO Students


Local Levy
Student A: $476 + ($3,050 * 1.3) * (510/1,020) = $1,983
Student B: 12% of [$3,050 * 1.3] = $476
School District
receives:
$2,459 for student A
$476 for student B
Total Funding
Student A: $4,201
Student B: $3,668
State K-12 Budget
Student A: $858 + $200 = $1,058
Student B: $1,485 + $400 = $1,885
State Postsecondary Budget
Student A: $684
Student B: $1,307
(marginal cost funding)
Public Postsecondary Institution
Total Funding
Student A: $1,742
Student B: $3,192
Student A: Attended a state university half-time (22 credits/year) at a cost of $39/credit and attended high school half-time.
Student B: Attended a community college full-time (45 credits/year) at a cost of $33/credit and did not attend high school.
Formula allowance = $3,050
Secondary Pupil Weighting = 1.3
The cost of books is assumed to be $400/year for a full-time PSEO student.
Marginal cost funding is approximately 32% of the average cost of instruction. The average cost of instruction per pupil for each public postsecondary system is computed by the Department of Finance.

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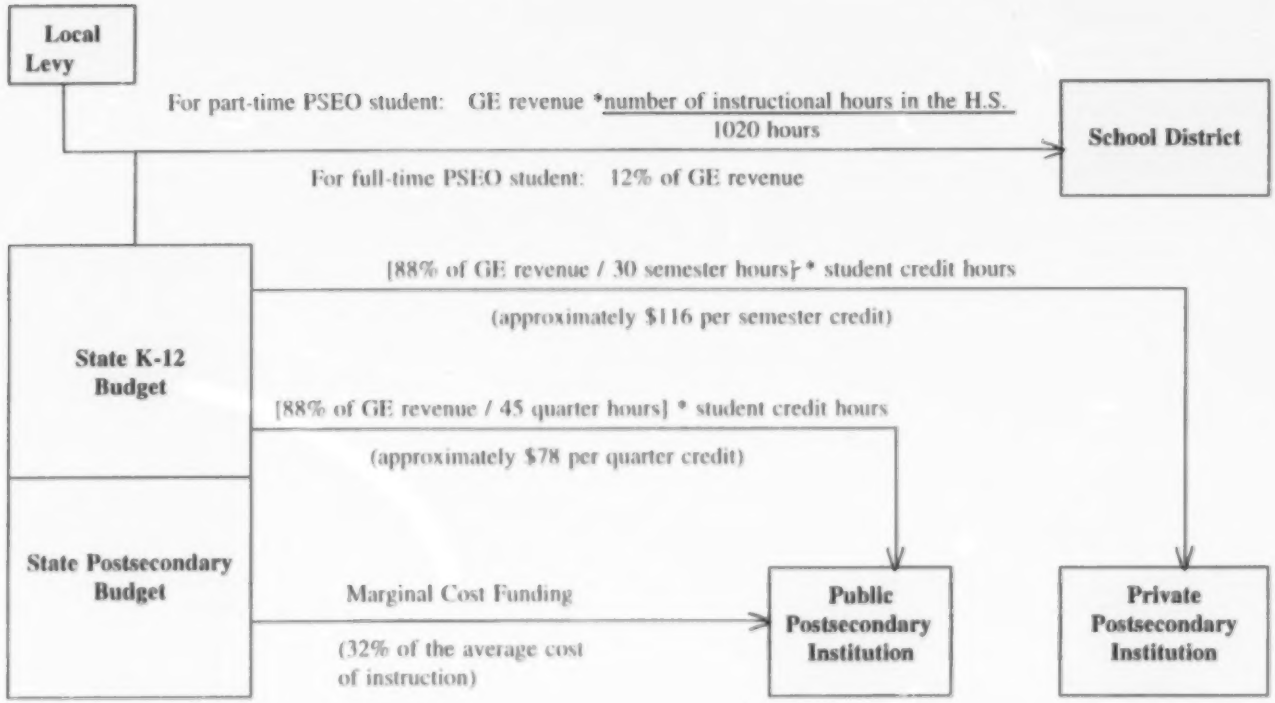
Beginning in FY 1993...

Beginning in FY 1993, school districts will again receive a smaller portion of general education revenue for each PSEO student, and postsecondary institutions will receive a flat reimbursement per credit plus marginal cost funding. Figure 21 shows the funding process that will be in place for school districts beginning in FY 1993. For a part-time PSEO student, as in FY 1992, school districts will receive a portion of general education revenue based on the number of instructional hours the student spends in the high school. However, districts will not receive the additional $476 for each part-time PSEO student that they did in FY 1992. For a full-time PSEO student who is not in the high school at all, a district will receive a flat 12% of general education revenue ($476), the same as in FY 1992.

Postsecondary institutions will receive a flat per credit rate of reimbursement (approximately $78 per quarter credit and $116 per semester credit) from the K-12 education budget. In some cases, this exceeds the amount of tuition that they would have previously received. Postsecondary institutions will receive marginal cost funding from the state for each PSEO student. Marginal cost funding is 32% of the average cost of instruction.

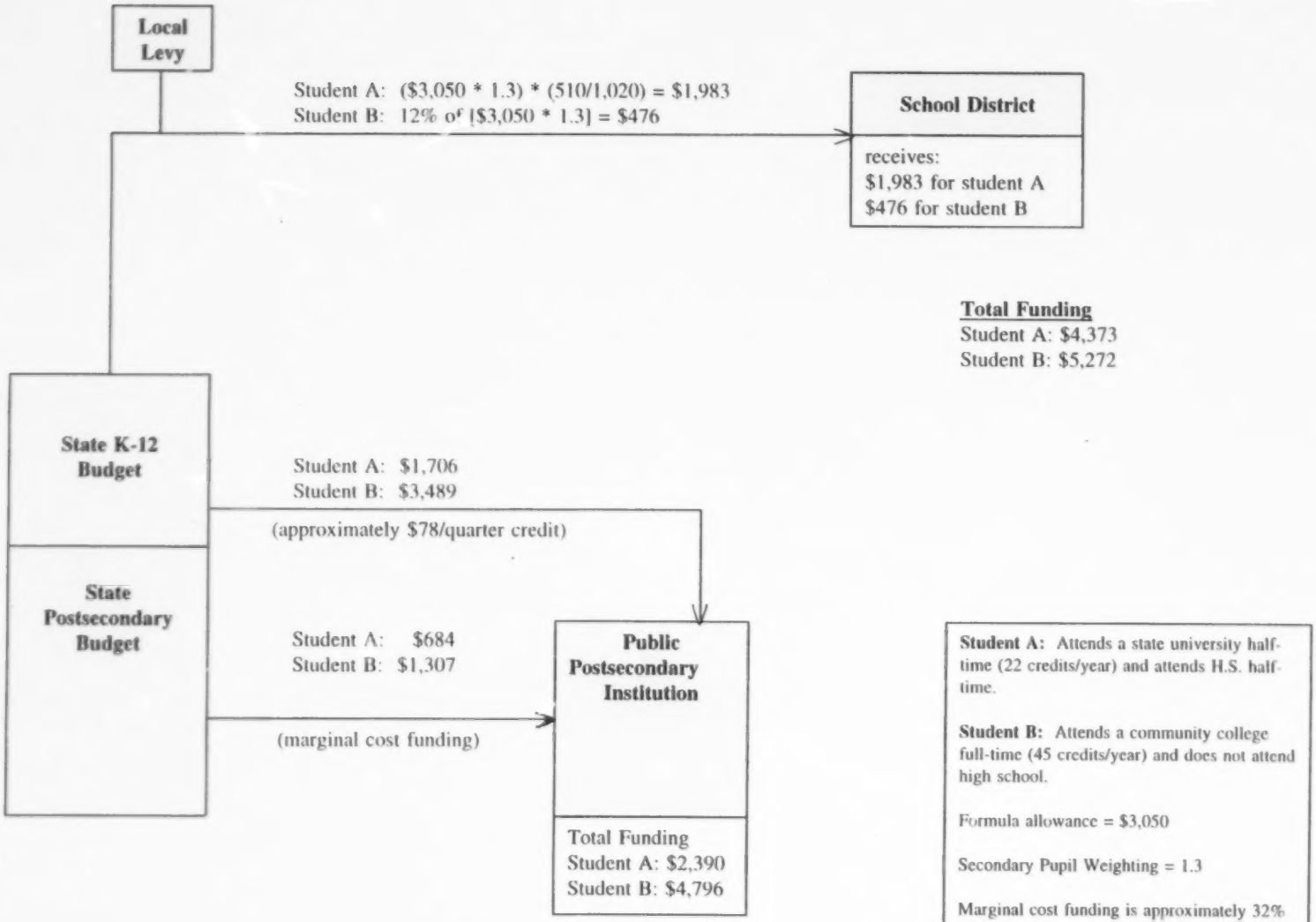
This funding process eliminates almost all of the extra revenue school districts received under the original funding process. Figure 22 shows an example of the FY 1993 funding process. The two students in the model are again student A, a half-time PSEO/half-time high school student, and student B, a full-time PSEO student who spent no time in the high school. In this example, the school district retains much less revenue for the two students. The district will receive $1,983 for the student who is in high school half-time. That $1,983 is 50% of the $3,965 in general education revenue the district would receive for a non-PSEO student and is commensurate with the 50% time the student spent in the high school. The district will receive $476 for the student who is not in the high school at all. The $476 is 12% of the general education revenue.

Figure 21
Current PSEO Program Funding (Beginning FY 1993)


Local Levy
For part-time PSEO student: GE revenue *number of instructional hours in the H.S. / 1020 hours
For full-time PSEO student: 12% of GE revenue
School District
State K-12 Budget
[88% of GE revenue / 30 semester hours] * student credit hours
(approximately $116 per semester credit)
[88% of GE revenue / 45 quarter hours] * student credit hours
(approximately $78 per quarter credit)
State Postsecondary Budget
Marginal Cost Funding
(32% of the average cost of instruction)
Public Postsecondary Institution
Private Postsecondary Institution

General Education (GE) Revenue = the secondary pupil weight of 1.30 times the formula allowance.

Figure 22
Example of Current Funding for PSEO Students (FY 1993)


Local Levy
Student A: ($3,050 * 1.3) * (510/1,020) = $1,983
Student B: 12% of [$3,050 * 1.3] = $476
School District
receives:
$1,983 for student A
$476 for student B
Total Funding
Student A: $4,373
Student B: $5,272
State K-12 Budget
State Postsecondary Budget
Student A: $1,706
Student B: $3,489
(approximately $78/quarter credit)
Student A: $684
Student B: $1,307
(marginal cost funding)
Public Postsecondary Institution
Total Funding
Student A: $2,390
Student B: $4,796
Student A: Attends a state university half-time (22 credits/year) and attends H.S. half-time.
Student B: Attends a community college full-time (45 credits/year) and does not attend high school.
Formula allowance = $3,050
Secondary Pupil Weighting = 1.3
Marginal cost funding is approximately 32% of the average cost of instruction. The average cost of instruction per pupil for each public postsecondary system is computed by the Department of Finance.

House Research Graphics

Appendix A

The PSEO Legislation after the 1992 legislative session.

123.3514 POST-SECONDARY ENROLLMENT OPTIONS ACT.

Subdivision 1. **Citation.** This section may be cited as the "post-secondary enrollment options act."

Subd. 2. **Purpose.** The purpose of this section is to promote rigorous academic pursuits and to provide a wider variety of options to high school pupils by encouraging and enabling secondary pupils to enroll full time or part time in nonsectarian courses or programs in eligible post-secondary institutions, as defined in subdivision 3.

Subd. 3. **Definitions.** For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Subd. 4. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Subd. 4a. **Counseling.** To the extent possible, the school district shall provide counseling services to pupils and their parents or guardian before the pupils enroll in courses under this section to ensure that the pupils and their parents or guardian are fully aware of the risks and possible consequences of enrolling in post-secondary courses. The district shall provide information on the program including who may enroll, what institutions and courses are eligible for participation, the decision-making process for granting academic credits, financial arrangements for tuition, books and materials, eligibility criteria for transportation aid, available support services, the need to arrange an appropriate schedule, consequences of failing or not completing a course in which the pupil enrolls, the effect of enrolling in this program on the pupil's ability to complete the required high school graduation requirements, and the academic and social responsibilities that must be assumed by the pupils and their parents or guardian. The person providing counseling shall encourage pupils and their parents or guardian to also use available counseling services at the post-secondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate.

Prior to enrolling in a course, the pupil and the pupil's parents or guardian must sign a form that must be provided by the district and may be obtained from a post-secondary institution stating that they have received the information specified in this subdivision and that they understand the responsibilities that must be assumed in enrolling in this program. The department of education shall, upon request, provide technical assistance to a district in developing appropriate forms and counseling guidelines.

Subd. 4b. **Dissemination of information; notification of intent to enroll.** By March 1 of each year, a school district shall provide general information about the program to all pupils in grades 10 and 11. To assist the district in planning, a pupil shall inform the district by March 30 of each year of the pupil's intent to enroll in post-secondary courses during the following school year. A pupil is not bound by notifying or not notifying the district by March 30.

Subd. 4c. **Limit on participation.** A pupil who first enrolls in grade 11 may not enroll in post-secondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in post-secondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 11 or 12 first enrolls in a post-secondary course for secondary credit during the school year, the time of participation shall be reduced proportionately. A pupil who has graduated from high school cannot participate in a program under this section. A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

Subd. 4d. **Enrollment priority.** A post-secondary institution shall give priority to its post-secondary students when enrolling 11th and 12th grade pupils in courses for secondary credit. Once a pupil has been enrolled in a post-secondary course under this section, the pupil shall not be displaced by another student.

Subd. 4e. **Courses according to agreements.** An eligible pupil, according to subdivision 4, may enroll in a nonsectarian course taught by a secondary teacher or a post-secondary faculty member and offered at a secondary school, or another location, according to an agreement between a school board and the governing body of an eligible public post-secondary system or an eligible private post-secondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, school board, school district, and the governing body of a post-secondary institution, except as otherwise provided.

Subd. 5. **Credits.** A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A school district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Nine quarter or six semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A school district shall also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is

offered by the district, the district shall, as soon as possible, notify the state board of education, which shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the state board of education. The state board's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and secondary credits granted shall be included in the pupil's secondary school record. A pupil must provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record shall also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record shall indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution shall award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Subd. 6. **Financial arrangements.** For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A public post-secondary system or private post-secondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an

overpayment has been made, the system or institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124A.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124A.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Subd. 6a. **Grants and financial aid prohibited.** A pupil enrolled in a post-secondary course for secondary credit is not eligible for any state student financial aid under chapter 136A.

Subd. 6b. **Financial arrangements, pupils age 21 or over.** For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A public post-secondary system or private post-secondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the

pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Subd. 6c. **Financial arrangements for courses provided according to agreements.** The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b. For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law.

Subd. 7. **Fees; textbooks; materials.** A post-secondary institution that receives reimbursement for a pupil under subdivision 6 may not charge that pupil for fees, textbooks, materials, or other necessary costs of the course or program in which the pupil is enrolled if the charge would be prohibited under section 120.74, except for equipment purchased by the pupil that becomes the property of the pupil. An institution may require the pupil to pay for fees, textbooks, and materials for a course taken for post-secondary credit.

Subd. 7a. **Textbooks; materials.** All textbooks and equipment provided to a pupil, and paid for under subdivision 6, are the property of the pupil's school district of residence. Each pupil is required to return all textbooks and equipment to the school district after the course has ended.

Subd. 8. **Transportation.** A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The state board of education shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Subd. 9. **Exception; intermediate districts.** A secondary pupil who is a resident of a member district of an intermediate district, as defined in section 136C.02, subdivision 7, may not enroll in that intermediate district's vocational program as a post-secondary pupil under this section.

Subd. 10. **Limit; state obligation.** The provisions of subdivisions 6, 7, 8, and 9 shall not apply for any post-secondary courses in which a pupil is enrolled in addition to being enrolled full time in that pupil's district or for any post-secondary course in which a pupil is enrolled

for post-secondary credit. The pupil is enrolled full time if the pupil attends credit-bearing classes in the high school or high school program for all of the available hours of instruction.

Subd. 11. **Pupils 40 miles or more from an eligible institution.** A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for post-secondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or post-secondary credit according to subdivision 5.

A district must offer an accelerated or advanced academic course for post-secondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for post-secondary credit in later academic periods.

Subd. 11a. **Pupils less than 40 miles from an eligible institution.** A pupil enrolled in a secondary school that is located less than 40 miles from the nearest eligible institution may enroll in a post-secondary course provided at the secondary school.

Appendix B

A list of eligible postsecondary institutions for the Minnesota Postsecondary Enrollment Options Program

Community Colleges	City
Anoka-Ramsey	Coon Rapids
Cambridge Center	Cambridge
Arrowhead Region	
Hibbing	Hibbing
Itasca	Grand Rapids
Mesabi	Virginia
Rainy River	International Falls
Vermillion	Ely
Duluth Learning Center	Duluth
Fond du Lac	Cloquet
Arrowhead University	Hibbing
Austin	Austin
Clearwater Region	
Brainerd	Brainerd
Fergus Falls	Fergus Falls
Northland	Thief River Falls
Inver Hills	Inver Grove Heights
Lakewood	White Bear Lake
Minneapolis	Minneapolis
Normandale	Bloomington
North Hennepin	Brooklyn Park
Rochester	Rochester
Willmar	Willmar
Worthington	Worthington

Private Four-Year Colleges

Augsburg	Minneapolis
Bethel	St. Paul
College of St. Benedict	St. Joseph
College of St. Catherine	St. Paul
College of St. Scholastica	Duluth
Concordia	Moorhead

Private Four-Year Colleges (cont.)	City
Concordia	St. Paul
Gustavus Adolphus	St. Peter
Hamline University	St. Paul
Macalester	St. Paul
Minneapolis College of Art and Design	Minneapolis
St. John's University	Collegeville
St. Mary's College of Minnesota	Winona
University of St. Thomas	St. Paul

Private Two-Year College

Bethany Lutheran	Mankato

Private Degree Granting Trade Institutions

Dunwoody Institute	Minneapolis
Northwestern Electronics Institute	Columbia Heights

Technical Colleges

Albert Lea/Mankato Technical College	
Albert Lea Campus	Albert Lea
Mankato Campus	North Mankato
Alexandria	Alexandria
Anoka	Anoka
Brainerd/Staples Regional	
Brainerd Campus	Brainerd
Staples Campus	Staples
Dakota County	Rosemount
Duluth	Duluth
Hennepin	Plymouth
Brooklyn Park Campus	Brooklyn Park
Eden Prairie Campus	Eden Prairie

Range Technical College	Hibbing
Eveleth Campus	Eveleth
Hibbing Campus	Hibbing
Hutchinson/Willmar Technical College	Hutchinson
Hutchinson Campus	Hutchinson
Willmar Campus	Willmar
Minneapolis	Minneapolis
Minnesota Riverland	Rochester
Austin Campus	Austin
Faribault Campus	Faribault
Rochester Campus	Rochester
Northeast Metro	White Bear Lake
Northwest Technical College	Detroit Lakes
Bemidji Campus	Bemidji
Detroit Lakes Campus	Detroit Lakes
E. Grand Forks Campus	E. Grand Forks
Moorhead Campus	Moorhead
Thief River Falls	Thief River Falls
Wadena	Wadena
Pine	Pine City
Red Wing/Winona Technical College	Winona
Red Wing Campus	Red Wing
Winona Campus	Winona
St. Cloud	St. Cloud
St. Paul	St. Paul
Southwestern	Granite Falls
Canby Campus	Canby
Granite Falls Campus	Granite Falls
Jackson Campus	Jackson
Pipestone Campus	Pipestone

State University System

Bemidji State	Bemidji
Mankato State	Mankato
Metropolitan State	St. Paul
Moorhead State	Moorhead
St. Cloud State	St. Cloud
Southwest State	Marshall
Winona State	Winona

University of Minnesota

Twin Cities Campus	Minneapolis St. Paul
Duluth Campus	Duluth
Morris Campus	Morris
Crookston Campus	Crookston
Waseca Campus*	Waseca

*The Waseca campus of the University of Minnesota closed after the 1991-92 school year.

Appendix C: Data

The information on 1991-92 PSEO student participation in this report is based on Minnesota Department of Education (MDE) data that were collected to make the 1991-92 PSEO payments to the postsecondary institutions and school districts. This data base contains a record for each PSEO student with information on the resident district, the postsecondary institution the student attended, the courses taken, the initial payments made to the postsecondary institution, and initial adjustments made to the school district's general education aid. Since these data were gathered for finance purposes, the financial data is reliable - it actually reflects the initial PSEO adjustments to the 1991-92 aid payments made to school districts and postsecondary institutions. However, the finance focus on the data does create some significant limitations.

- **MDE does not need the data that describe specific courses taken by PSEO students to make payments; however those data are gathered for general interest.** The course description data are not checked for errors, and the quality of this information is not as high as the finance data.

- **Data reflect student enrollment in PSEO courses, not completion.** If a student fails or drops out, there is no record in the MDE database because this does not affect payment to the postsecondary institution or the school district. Since the MDE data do not provide information on PSEO student success, those data were supplemented by collecting aggregate completion rates for PSEO students from all Minnesota postsecondary institutions (see Table 6 on page 47).

- **Students taking college courses in the high schools are not identified as such in the MDE data base.** The University of Minnesota and some other institutions provide college courses in the high school, taught by a high school teacher. Courses offered as part of these programs are very popular, and MDE estimates that over 25% of the PSEO students are taking these courses. It is possible to identify some students who took University of Minnesota College in the School courses using this data base. These students can be identified because the University of Minnesota charged districts $72 per course for students taking College in the Schools, regardless of the number of credits. Other institutions charged districts the same rate for students taking college courses in the high schools that was in effect for students taking PSEO courses at the postsecondary institution. That makes students taking college courses in the high school through these institutions indistinguishable from regular PSEO students in the MDE data base.